



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH MARCH 2019

DOMESTIC NEWS

Robust dollar inflows from diaspora remittances and foreign investors buying government securities continued to support the Kenya shilling against the greenback on Wednesday as dollar demand from oil and manufacturing importers remain subdued. At close of business, the local currency stood at 99.95/100.15, unchanged since the beginning of the month.

We expect the shilling, which has gained 1.9% against the U.S. dollar this year, to remain relatively stable against the greenback and trade in the same range in the short term as importer dollar demand remains weak amid healthy dollar inflows from remittances, horticulture exports and foreign investors.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.55	103.55	97.55	102.55
GBP/KES	127.85	135.85	128.35	135.35
EUR/KES	109.60	116.60	110.10	116.10
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	3.9533%	3.9533%	0.000
91-Day T-bill	6.886%	6.963%	-0.077
182-Day T-Bill	8.317%	8.375%	-0.058
364-Day T-Bill	9.476%	9.492%	-0.016
Inflation	4.14%	4.70%	-0.560
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar held steady near two-weeks high against its peers on Wednesday, after rising on Tuesday as unexpectedly strong data on U.S. services industries and new home sales helped soothe some fears about the state of the world's top economy. The dollar index gained for the fifth straight session, hitting a two-week high of 97.00 before giving up some of the gains to settle at 96.85.

Investors are now looking to Friday's U.S. non-farm payrolls release for February for fresh indications of wage growth and labour market strength.

The euro was a shade higher at \$1.1300, hovering near two-week lows amid bets that the European Central Bank (ECB) meeting on Thursday would indicate a delay in raising rates until next year and soon re-launch long-term bank loans to fight an economic slowdown.

Meanwhile, the sterling pound was stuck near a one-week low of \$1.3175 as a deadlock over Brexit fueled concern that a vote on PM Theresa May's proposed deal for Britain's EU departure could be delayed. Talks with E.U. negotiators aimed at winning concessions for Britain on Brexit have made no headway and no swift solution is in sight. Britain is due to leave the E.U. in 23 days, and the pound has dropped this week as doubts swirl over how, or possibly even if, Britain's exit will take place.

Elsewhere, oil prices edged up in early trading on Thursday amid ongoing OPEC-led supply cuts and U.S. sanctions against exporters Venezuela and Iran, although prices were prevented from rising further by record U.S. crude output and rising commercial fuel inventories. Brent crude futures were at \$66.25 per barrel, up 1.3% from the previous session.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million KES	Amounts >100,000 USD
2 Weeks	6.50%	2.00%
1 Month	7.00%	2.50%
3 Months	8.00%	2.75%
6 Months	8.50%	3.50%
1 year	9.00%	3.75%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1250	1.1350
GBP/USD	1.3125	1.3225
USD/AED	3.6675	3.6785
USD/JPY	111.15	112.15

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.