



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 7<sup>TH</sup> MAY 2019

### DOMESTIC NEWS

The Kenyan shilling firmed marginally against the greenback on Monday, helped by improving dollar inflows from diaspora remittances that outweighed muted dollar demand from importers. By close of business, the local unit traded at 100.80/101.00, slightly stronger than the opening level of 101.00/20. We expect the shilling to hold relatively stable against the dollar in the short term, getting support from remittances and horticulture inflows as importer dollar demand remains subdued.

Meanwhile, activity in Kenya's private sector contracted for the first time in 17 months in April, hurt by drought and strained cash flows arising from late payment of bills, especially by government departments. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services dropped to 49.3 from 51.0 in March. Any reading above 50 indicates growth. April's figure was the lowest since November 2017, following a turbulent election period, when the PMI stood at 42.8.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.40	104.40	98.40	103.40
GBP/KES	128.45	136.45	128.95	135.95
EUR/KES	109.65	116.65	110.15	116.15
AED/KES	25.97	28.97	25.97	28.97

Money Market Rates	Current	Previous	Change
Interbank Rate	6.2222%	6.0834%	0.139
91-Day T-bill	7.250%	7.298%	-0.048
182-Day T-Bill	7.958%	8.006%	-0.048
364-Day T-Bill	9.320%	9.315%	0.005
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar slipped against other major global currencies on Monday after U.S. President Donald Trump said he would sharply raise tariffs on Chinese goods this week, risking the derailment of trade talks between Washington and Beijing.

Trump slammed China over its trade practices, saying the U.S. was losing billions on trade with China. The comments followed his weekend threat to ratchet up tariffs on \$200 billion worth of imports from China, even as ongoing talks between Washington and Beijing are set to continue this week.

The dollar index, which measures the U.S. currency versus a basket of six major rivals, was down 0.15% to settle at 97.40. Against the Japanese yen, which tends to benefit during geopolitical or financial stress as Japan is the world's biggest creditor nation, the dollar fell 0.2% to close at 110.90 yen.

The euro and sterling both booked a modest gain against the dollar, changing hands at \$1.1210 and \$1.3125 respectively.

Meanwhile, global oil prices edged higher in volatile trade on Monday as rising tensions between the U.S and Iran buoyed prices after they touched a one-month low following U.S. President Donald Trump's threat that he may raise tariffs on Chinese goods. Brent crude futures rose almost 3% to settle at \$71.25 a barrel.

Within the oil industry, there are signs of a further rise in output from the U.S, where crude production has surged by more than 2 million barrels per day (bpd) since early 2018 to a record 12.3 million bpd. The U.S. is now the world's biggest oil producer, ahead of Russia and Saudi Arabia.

### Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	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	1.1160	1.1260
GBP/USD	1.3075	1.3175
USD/AED	3.6675	3.6785
USD/JPY	110.15	111.15

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.