



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH APRIL 2019

DOMESTIC NEWS

U.S. dollar inflows from offshore investors buying government bonds helped the shilling to hold stable against the greenback on Monday, amid thin dollar demand from importers. At close of trade, the shilling stood at 100.55/75, same as Friday's close. We expect the local unit to hold relatively stable against the dollar in the short term as offshore investors and remittance inflows offset high liquidity in the money market as importer dollar demand remains muted.

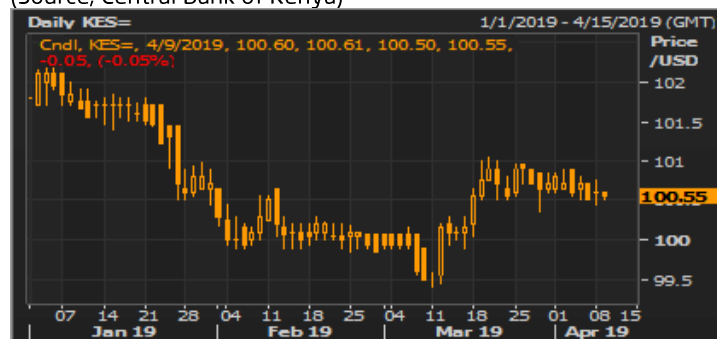
Meanwhile, dry weather conditions across much of Kenya is likely to curb its economic growth this year, the World Bank said on Tuesday, cutting its forecast to 5.7% from 5.8% predicted previously. Kenya's economy expanded by an estimated 5.8% last year, as the country recovered from a slowdown the year before caused by another drought and election jitters. Externally, Kenya faces risks from global trade tensions, which could cut its exports and the funds sent home by Kenyans abroad.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.15	104.15	98.15	103.15
GBP/KES	127.65	135.65	128.15	135.15
EUR/KES	109.90	116.90	110.40	116.40
AED/KES	25.90	25.90	25.90	25.90

Money Market Rates	Current	Previous	Change
Interbank Rate	1.6770%	1.8404%	-0.163
91-Day T-bill	7.444%	7.500%	-0.056
182-Day T-Bill	8.189%	8.204%	-0.015
364-Day T-Bill	9.385%	9.408%	-0.023
Inflation	4.35%	4.14%	0.210
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell marginally against a basket of currencies on Monday as recent strong economic data eased worries about the global economy, prompting investors to reduce safe-haven positions in the greenback. Encouraging economic data last week from China and the United States boosted market sentiment, lifting growth-oriented currencies.

The euro edged higher from a one-month low hit last week as investors squared positions before a European Central Bank meeting this week, where policymakers may strike a cautious note on the region's growth outlook. On the day, the single currency rose 0.3% to settle at \$1.1265.

Meanwhile, the sterling pound held relatively stable at \$1.3075, trading in a narrow range reflecting nervousness in the market about key Brexit talks in London between PM Theresa May and the opposition Labour Party. Britain is due to leave the European Union on Friday, but May is seeking a compromise with Labour leader Jeremy Corbyn on the terms of the UK's divorce ahead of an EU leaders' summit on Wednesday. A compromise would support her request to delay Brexit until the end of June. The BBC reported that May could offer to remain in a permanent customs union with the bloc to win the support of Labour.

Elsewhere, oil prices on Monday reached their highest level since November as concerns over exports from war-torn Libya stoked tightness in the market, with global supply already hit by OPEC-led production cuts and U.S. sanctions on Iran and Venezuela. International benchmark Brent futures hit their strongest level since last November at \$71.35 per barrel, before easing to settle at \$71.10 per barrel.

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	1.1215	1.1315
GBP/USD	1.3025	1.3125
USD/AED	3.6675	3.6785
USD/JPY	110.80	111.80

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.