



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling was largely unchanged against the U.S. dollar on Monday, as demand for the greenback from importers fell amid tight liquidity in the inter-bank market, indicated by the rise in the average interbank rate to 6.3% last week, from 5.8% the previous week, owing to government security principal payments for the Treasury bond tap sale. The local currency traded at 100.90/101.10, same as Friday's close.

We expect the local unit to remain relatively stable in the short term, supported by tight liquidity conditions in the market amid thin dollar demand from importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.50	104.50	98.50	103.50
GBP/KES	138.75	146.75	139.25	146.25
EUR/KES	120.90	127.90	121.40	127.40
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	6.1457%	6.1696%	-0.024
91-Day T-bill	8.006%	8.000%	0.006
182-Day T-Bill	10.318%	10.384%	-0.066
364-Day T-Bill	11.120%	11.130%	-0.010
Inflation	4.18%	4.46%	-0.280
CBR RATE	9.50%	10.00%	-0.50

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar fell against a basket of currencies on Monday, on persistent worries about a potential trade conflict between the United States and China. The dollar index, which measures the greenback against a basket of six other major currencies, was down 0.3% at 89.90, after slipping to a low of 89.80, it's weakest since March 28.

Global markets took a hit last week as U.S. President Donald Trump upped the ante in a trade dispute with China, reviving investor jitters about the impact a tariff war could have on the world economy. China is evaluating the potential impact of a gradual yuan depreciation as a tool in the escalating trade dispute with the United States.

Meanwhile, the euro, was up 0.3% to close at \$1.2310 against the greenback following comments that were deemed supportive of the common currency from European Central Bank President Mario Draghi that a slide in stock markets this year has not materially impacted euro zone financial conditions, suggesting that policymakers remain calm about the recent market volatility.

The sterling pound also climbed against the dollar, boosted by data showing British house prices rose more than expected in March. Sterling was up 0.29% at \$1.4130. Economists expect the Bank of England to raise interest rates in May to help curb inflation, which has risen above target since Britain's vote to leave the European Union in 2016 sent sterling plummeting.

Elsewhere, global oil prices rose more than 2% on Monday, supported by a rebound in the stock market as concerns of a trade war between the United States and China eased. Brent crude, the international benchmark for oil prices, rose \$1.94 to settle at \$68.90 a barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	2.00%
1 Month	8.50%	2.25%
3 Months	9.25%	2.75%
6 Months	9.50%	3.25%
1 year	10.00%	3.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.2260	1.2360
GBP/USD	1.4080	1.4180
USD/AED	3.6675	3.6775
USD/JPY	106.65	107.65

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