



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling held relatively steady against the US dollar on Thursday as dollar inflows from the horticulture sector matched muted demand for the greenback from importers. The local currency traded at 100.30/50, little changed from Wednesday's close of 100.35/55.

We expect the local unit to remain relatively stable with a bullish bias in the coming week, supported by diaspora remittances, inflows from foreign investors buying government debt and horticulture exports as demand for the greenback remains low amid tight liquidity conditions in the local money markets.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	124.55	132.55	125.05	132.05
EUR/KES	111.60	118.60	112.10	118.10
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	8.2144%	8.1091%	0.105
91-Day T-bill	7.668%	7.611%	0.057
182-Day T-Bill	9.017%	9.083%	-0.066
364-Day T-Bill	9.990%	10.008%	-0.018
Inflation	4.35%	4.28%	0.070
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar rose against major global currencies on Thursday as investors bet global trade tensions and a robust American economy would continue to support the U.S. currency. The greenback has the upper hand over emerging market currencies in a trade war. Better-than-expected data on initial jobless claims and generally rising producer prices also helped the dollar hold its gains.

The dollar index, which measures the greenback against six major global currencies, was up 0.4% to close at 95.45. It rose to a year-high of 95.652 on July 19 but has since struggled to break much above the 95.5 level.

The euro fell more than 1% against a stronger dollar to close at \$1.1460 after the European Central Bank said that risks to global growth are increasing as the risk of protectionism and the threat of higher U.S. tariffs sap confidence. The common currency was also dogged by renewed investor concerns that Italy was heading for a costly and unsustainable spending spree.

Meanwhile, the sterling pound extended losses on Thursday, falling 0.5% against the dollar to trade lower than a one-year low as markets grow nervous Britain will leave the European Union without an agreement on its future relationship with the bloc. The currency traded at \$1.2805, the weakest since August 25 2017.

Elsewhere, global oil prices settled slightly lower on Thursday, extending the previous session's losses as the escalating China-U.S. trade dispute casts doubt over the outlook for oil demand. Brent crude, the international benchmark for oil prices, fell 21 cents to settle at \$72.07 a barrel.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	6.50%	2.00%
1 Month	7.50%	2.25%
3 Months	8.50%	2.75%
6 Months	9.50%	3.25%
1 year	9.75%	3.50%

Indicative Cross Rates

	Bid	Offer
	EUR/USD	1.1410
GBP/USD	1.2755	1.2855
USD/AED	3.6675	3.6785
USD/JPY	110.40	111.40

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