



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

## TREASURY MARKET UPDATE 11<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling held firm against the U.S. dollar for the third consecutive trading session on Tuesday helped by low dollar demand from importers amid tight liquidity in the inter-bank money market. The local unit traded at 100.90/101.10, where it ended on Monday and last week on Friday.

We expect the local currency to remain stable against the dollar in the short-term, supported by tight liquidity levels in the money market and high forex reserves, currently standing at 8.8 billion dollars equivalent to 5.9 months of import cover.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.50	104.50	98.50	103.50
GBP/KES	139.25	147.25	139.75	146.75
EUR/KES	121.35	128.35	121.85	127.85
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	5.9719%	6.1457%	-0.174
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 traded near a two-week low against a basket of currencies on Tuesday after Chinese President Xi Jinping's promise to cut import tariffs eased concerns about a U.S.-China trade conflict. The dollar's index against a basket of six major peers last stood at 89.58, its lowest level since March 28.

Chinese President Xi Jinping promised on Tuesday to open the country's economy further and lower import tariffs on products like cars, in a speech seen as an attempt to defuse an escalating trade dispute with the United States.

The euro rose against the US dollar to close at \$1.2360, its strongest level since March 28 after European Central Bank policymaker Ewald Nowotny told Reuters in an interview that its 2.55-trillion euro (\$3.15 trillion) bond buying programme would be wound down by the end of this year, which would then pave the way for the bank's first rate rise since a fumbled move in 2011.

The sterling pound also rose to a two-week high of \$ 1.4180 on Tuesday after the dollar fell and a top policymaker said the Bank of England should press ahead with an interest rate hike to curb inflation. Economists expect the Bank of England to raise rates in May and the comments by policymaker Ian McCafferty along with strong housing survey data this week offered further encouragement.

Meanwhile, global oil prices rose on Tuesday, adding to steep gains in the previous session, as markets eyed an escalation of Middle East tensions after Europe's air traffic control agency warned of possible air strikes on Syria in the next 72 hours. Brent crude, the international benchmark for oil prices, rose to \$70.75 per barrel, it's highest level since late 2014.

#### 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	1.2310	1.2410
GBP/USD	1.4130	1.4230
USD/AED	3.6675	3.6775
USD/JPY	106.50	107.50

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