



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

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

### DOMESTIC NEWS

The Kenyan shilling held stable against the US dollar on Tuesday, as inflows from the horticulture sector matched low demand for the greenback from importers and as the Central bank mopped excess liquidity from the money market. The local currency traded at 100.80/101.00, same as Monday's close, as the over-night inter-bank weighted average rate also held steady at around 4.5%.

We expect the local unit to remain relatively stable in the short term, supported by inflows from the horticulture sector amid low dollar demand from importers and from Central Bank's Open Market Operations, with the CBK expected to continue mopping excess liquidity in the market.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.40	104.40	98.40	103.40
GBP/KES	129.75	137.75	130.25	137.25
EUR/KES	114.80	121.80	115.30	121.30
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5524%	4.6954%	-0.143
91-Day T-bill	7.725%	7.733%	-0.008
182-Day T-Bill	9.499%	9.607%	-0.108
364-Day T-Bill	10.442%	10.488%	-0.046
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The US dollar strengthened marginally against major global currencies on Tuesday as investors bought riskier assets, encouraged by signs that trade tensions have yet to hurt economic momentum. Instead, the focus is now on decent economic data, including favourable U.S. jobs figures, with the Federal Reserve expected to raise U.S. interest rates twice more this year at a time when other major central banks are refraining from monetary tightening.

The dollar index against a basket of six major currencies was up 0.3% at 94.25 after falling on Monday to 93.70, it's lowest since mid-June.

The dollar strength halted a rally by the euro, which fell 0.2% to close at \$1.1725, heading for its biggest daily decline against the dollar in more than a week despite a healthy rise in German exports which had pushed the euro higher in the last trading session.

Meanwhile, the sterling pound clawed back some of its recent losses on Tuesday as Prime Minister Theresa May sought to shore up her authority after two ministers quit over her hard-fought Brexit blueprint. The British currency rose to as high as \$1.3300, roughly where it was on Friday before the resignations, until the rallying dollar knocked it back to \$1.3255.

Elsewhere, global oil prices fell on Tuesday after U.S. President Donald Trump threatened to levy new trade tariffs on China. The spectre of tariffs on a further \$200 billion worth of Chinese goods sent commodities lower along with stock markets, with trade tensions between the world's two biggest economies intensifying. Brent crude, the global benchmark for oil prices, was down almost 1% to close at \$78.15 a barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	7.00%	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	1.1675	1.1775
GBP/USD	1.3205	1.3305
USD/AED	3.6675	3.6785
USD/JPY	110.50	111.50

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