



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 12<sup>TH</sup> JUNE 2018

### DOMESTIC NEWS

The Kenya shilling held steady against the US dollar on Monday, underpinned by inflows from offshore investors buying government debt amid thin demand from importers and despite high liquidity in the money market. The over-night inter-bank money market rate is currently trading at a one month low of 3.6424%, indicating high liquidity in the market. The local currency traded at 100.90/101.10, same as Friday's close.

We expect the local unit to remain relatively stable against the dollar and trade in the 100.50/101.50 range in coming days, supported by stronger horticulture inflows, improving diaspora remittances and high forex reserves, currently at USD 9 billion, equivalent to 6.0 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	130.95	138.95	131.45	138.45
EUR/KES	115.35	122.35	115.85	121.85
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	3.6424%	3.6331%	0.009
91-Day T-bill	7.850%	7.938%	-0.088
182-Day T-Bill	10.061%	10.196%	-0.135
364-Day T-Bill	10.949%	11.083%	-0.134
Inflation	3.95%	3.73%	0.220
CBR RATE	9.50%	9.50%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar rose against major global currencies on Monday ahead of the decisive Fed policy meeting this week, where we expect the Fed to raise interest rates for the second time this year and ahead of President Donald Trump's summit with North Korean leader Kim Jong Un in Singapore on Tuesday.

The greenback was up 0.14% to close at 93.73 against a basket of six currencies, despite heightened worries about a global trade war following a spat at the Group of Seven summit in Canada between Trump and other leaders over automobile tariffs and other issues.

The euro held steady against the US dollar, after assurances from Italy that it would not leave the European Union calmed investors' nerves before the European Central Bank's policy meeting on Thursday. The common currency settled at \$1.1770. Investors are raising their bets that the ECB will signal at the policy meeting a tapering down of its 2.55 trillion euro bond-buying program as early as September, following a flurry of hawkish comments by officials last week.

The sterling pound fell against the dollar on Monday after British factory output suffered its biggest monthly drop since 2012, underlining that economic momentum remains fragile and will likely need to improve before interest rates are raised. The pound fell following the data release and traded down around 0.3% at \$1.3360.

Elsewhere, global oil prices were little changed on Monday as comments from the Iraqi oil minister cast doubt as to whether the Organization of the Petroleum Exporting Countries would decide to boost output at its upcoming meeting. Brent crude, the global benchmark for oil prices, was unchanged to settle at \$76.46 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	1.1720	1.1820
GBP/USD	1.3310	1.3410
USD/AED	3.6675	3.6775
USD/JPY	109.85	110.85

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