



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling ended the week on Friday higher against the US dollar supported by health inflows from horticulture exports and diaspora remittances amid low demand for the greenback from importers. The local unit closed the week at 101.00/20, marginally stronger than Thursday's close of 101.05/25.

We expect the local currency to remain bullish in coming days, but we see it coming under some pressure towards the end of the month as demand for dollars picks up from multinationals remitting dividends to offshore investors.

Meanwhile, Kenya will sell five-year and 20-year Treasury bonds worth a total 40 billion shillings (\$396 million) this month, the central bank said on Friday. The bank said in a statement it would receive bids for the two bonds until March 20, and auction them a day later. The five-year bond will have a market-determined coupon, while the 20-year has a coupon of 13.20%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	136.10	144.10	136.60	143.60
EUR/KES	121.05	128.05	121.55	127.55
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.4838%	4.4741%	0.010
91-Day T-bill	8.026%	8.029%	-0.003
182-Day T-Bill	10.385%	10.393%	-0.008
364-Day T-Bill	11.128%	11.135%	-0.007
Inflation	4.46%	4.83%	-0.370

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar was little changed against a basket of currencies on Friday despite monthly U.S. job growth data posting its strongest in over 1-1/2 years while wage gains slowed more than expected, supporting the view the Federal Reserve would not quicken its pace on raising interest rates. The U.S. Labor Department said nonfarm payrolls grew by 313,000 in February, the largest monthly increase since July 2016, but average hourly earnings rose only 0.1%, slower than the 0.3% increase in January and less than the 0.2% analysts had forecast.

The dollar index, that tracks the dollar against six major currencies, fell 0.038 points or 0.04%, to 90.05.

The euro was up 0.04% at \$1.2325. The single currency had fallen on Thursday as European Central Bank President Mario Draghi said regional inflation remained subdued and rising protectionism was a risk.

Meanwhile, the sterling pound rallied on Friday after British industrial production data showed the UK's manufacturing sector continued to expand, albeit slowly. The pound gained 0.4% to \$1.3860.

Elsewhere, global oil markets edged up on Friday on the back of a drop in the number of U.S. rigs drilling for more production and as the U.S. economy continued to create jobs, which industry hopes will drive higher fuel demand. Brent crude, the international benchmark for oil prices, was at \$65.50 per barrel, 0.1%, from their previous close.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	7.00%	1.50%		
1 Month	9.50%	2.00%		
3 Months	9.75%	2.50%		
6 Months	10.00%	3.00%		
1 year	10.25%	3.25%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2275	1.2375
GBP/USD	1.3810	1.3910
USD/AED	3.6675	3.6775
USD/JPY	106.05	107.05

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