



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 13<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling strengthened for the second day running against the U.S. dollar on Thursday supported by increased inflows from the horticulture sector as demand for the greenback from importers remained muted. The local currency traded at 100.75/95, marginally stronger than Wednesday's close of 100.85/101.05. We expect the local unit to remain relatively stable and trade in the 100.50/101.50 range in the short term supported by health inflows amid low demand.

Meanwhile, the government will this month sell 15-year and 20-year Treasury bonds worth a total of 40 billion shillings (\$397 million), the central bank said on Thursday. The bank said it would receive bids for the two bonds, which will be re-opened from previous issues, until April 24, and auction them a day later.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	139.55	147.55	140.05	147.05
EUR/KES	120.85	127.85	121.35	127.35
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0508%	5.6621%	-0.611
91-Day T-bill	8.000%	8.006%	-0.006
182-Day T-Bill	10.268%	10.318%	-0.050
364-Day T-Bill	11.135%	11.120%	0.015
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 rebounded after a four-day losing streak as the threat of a clash between Western powers and Russia in Syria appeared to recede. Its recovery came after U.S. President Donald Trump backed away on Thursday from promising a swift military strike against Syria, saying it could be very soon or not so soon at all.

The dollar index, which measures the greenback against a basket of six major currencies, was up 0.35% at 89.80 after four straight days of declines.

The euro was down 0.3% at \$1.2325 after minutes from the European Central Bank's meeting in March showed that policymakers expressed concern over the risk of a full-fledged trade war with the United States and fretted over the potentially harmful impact of the euro's strength. Investors were also concerned about a downturn in Purchasing Managers' Indexes across the euro area after Euro zone businesses rounded off the first quarter of 2018 with their slowest growth in over a year.

Meanwhile, the sterling pound rose against the dollar as traders prepared for data next week that could help shore up expectations of a May interest rate hike. The pound was up 0.35% at \$1.4230. Markets expect the Bank of England to raise rates next month as it tries to curb inflation, although the probability of a hike happening has fallen in previous weeks after some recent British economic data was weaker-than-expected.

Elsewhere, global oil prices held steady on Thursday, remaining close to highs last reached in late 2014 on tensions over Syria and shrinking global oil inventories. Brent crude, the international benchmark for oil prices, settled slightly lower at \$72.05 a barrel.

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	1.2275	1.2375
GBP/USD	1.4180	1.4280
USD/AED	3.6675	3.6775
USD/JPY	106.95	107.95

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