



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

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

### DOMESTIC NEWS

The Kenyan shilling was steady against the US dollar on Thursday as dollar inflows from the horticulture sector matched low demand for the greenback from oil and manufacturing importers. The local currency traded at 100.70/90, same as Wednesday's close.

We expect the local unit to remain relatively stable against the US in the coming week, receiving support from improving horticultural exports, inflows from diaspora remittances and foreign investors purchasing stocks and government debt as demand for the greenback from importers remains muted.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.30	104.30	98.30	103.30
GBP/KES	128.80	136.80	129.30	136.30
EUR/KES	114.00	121.00	114.50	120.50
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	3.3008%	3.7743%	-0.474
91-Day T-bill	7.701%	7.725%	-0.024
182-Day T-Bill	9.322%	9.499%	-0.177
364-Day T-Bill	10.381%	10.442%	-0.061
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 rose near a 9-day peak on Thursday, supported by Treasury yields that edged higher on expectations the U.S. inflation rate will rise. Short to long-term U.S. Treasury yields rose after U.S. consumer prices data on Thursday showed a steady buildup of inflation pressure that could allow the Federal Reserve to hike interest rates as many as four times in 2018.

The dollar index, which measures the greenback against a basket of six major currencies edged up 0.1% to 94.80, near a 9-day peak. The index has risen 0.9% on the week, benefiting from the trade conflict concerns that emerged earlier, which ended up funneling safe-haven bids into the currency. On top of that, the U.S. economy has shown it is doing well and Treasury yields have risen.

As the dollar strengthened, the euro remained sluggish, standing little changed at \$1.1660, having pulled away from a 3-1/2 week high of \$1.17905 touched on Monday. The single currency was on track for a loss of 0.6% this week.

Meanwhile, the British pound remained weak, falling as much as 0.2% to \$1.3180, its lowest level since July 3, as investors remained on edge about the resignation of two key Eurosceptic ministers. The British currency has lost 0.85% this week.

Elsewhere, global oil prices edged lower on Thursday and were set for a second weekly fall, as the market shrugged off a warning that spare capacity may be stretched as OPEC and Russia increase production. Brent crude, the international benchmark for oil prices, was down 0.5%, to \$74.20. On Wednesday, it gained \$1.05 a barrel, rebounding from a session low of \$73.40. It is heading for a weekly fall of nearly 4%.

#### 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	1.1610	1.1710
GBP/USD	1.3130	1.3230
USD/AED	3.6675	3.6785
USD/JPY	112.15	113.15

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.