



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Monday due to increased demand for the greenback from oil and manufacturing importers. The local currency traded at 101.25/45, compared to Friday's close of 101.00/20.

We expect the local currency to remain stable in coming days, with demand for dollars from importers being matched by inflows from horticulture exports, diaspora remittances and inflows from offshore investors interested in buying the five-year and twenty-year Treasury bonds that the CBK will be auctioning later this month. We also expect the shilling to receive support from the improved political climate following a truce between President Uhuru Kenyatta and opposition leader Raila Odinga.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.85	104.85	98.85	103.85
GBP/KES	136.80	144.80	137.30	144.30
EUR/KES	121.45	128.45	121.95	127.95
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.4897%	4.4838%	0.006
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 fell against major currencies on Monday, pressured by data showing persistently low wages that will likely constrain the Federal Reserve from raising interest rates more than three times this year. The dollar also struggled as a result of uncertainty about U.S. trade protectionism, after President Donald Trump imposed tariffs on steel and aluminum imports, except those from Mexico and Canada.

The dollar index, which measures the greenback against a basket of six currencies, fell 0.1% from the previous close to trade at 90.01.

The euro, meanwhile, inched up against the dollar to \$1.2325. After a strong start to 2018, the euro remains below the three-year peak hit in February of \$1.2555. A more-dovish-than-expected central bank meeting which left the key rate unchanged at -0.4% last week continued to weigh on the single currency.

The sterling pound also rose against the US dollar, extending its rise from last week as a revival in risk appetite prompted investors to load up on the British currency though concerns over Brexit progress at an EU summit later this month capped gains. The British currency rose 0.25% to \$1.3890, but is still some way below a post-Brexit referendum vote high of \$1.4345 in late January.

Elsewhere, global oil prices fell on Monday, extending losses from the previous session, as a rise in U.S. crude output weighed on markets. Brent crude, the international benchmark for oil prices, was at \$64.85 per barrel, down 0.2% from the 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	1.3840	1.3940
USD/AED	3.6680	3.6780
USD/JPY	106.20	107.20

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