



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH MARCH 2018

DOMESTIC NEWS

The Kenya shilling remained steady on Tuesday after weakening marginally on Monday when it got weighed down by increased demand for the greenback from oil importers with inflows from exporters failing to match up. The local unit traded at 101.20/40, same as Monday's close.

We expect the local unit to remain relatively stable in coming days. However, an uptick in demand from oil and manufacturing importers and from multinationals paying dividends to offshore investors could see it come under pressure towards the end of the month.

Meanwhile, the Executive Board of the IMF approved Kenya's request for a 6-month extension of the country's Stand-By Arrangement (SBA) to allow additional time to complete the outstanding reviews. The reviews are expected to be completed by September 2018. Completion of the reviews will enable the Kenyan authorities to have access to funds available under the precautionary SBA.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	137.70	145.70	138.20	145.20
EUR/KES	122.20	129.20	122.70	128.70
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.1144%	4.4897%	-0.375
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 most major currencies on Tuesday despite U.S. inflation data for February being in line with expectations, suggesting the Federal Reserve remained on track to raise interest rates at a gradual pace. The dollar also lost traction after U.S. President Donald Trump fired Secretary of State Rex Tillerson and replaced him with CIA Director Mike Pompeo, marking the biggest shakeup of the administration's Cabinet. Pompeo's views typify Trump's hard line stance on international political issues, including the Iran nuclear deal and North Korea's nuclear and missile programs.

The dollar index against six major currencies fell 0.2% from the previous close to trade at 89.59.

The euro gained 0.5% against the US dollar on the day to close at \$1.2405 as the dollar weakened.

Meanwhile, the sterling pound rose to a two-week high as British Finance Minister Philip Hammond gave his half-yearly economic update on the economy. Hammond upgraded his growth forecasts a little and trimmed his budget deficit expectations, providing some extra wind behind sterling's bounce higher. The pound rose half a percent to close at \$1.3975.

Elsewhere, global oil prices fell on concerns over rising U.S. production, erasing earlier gains driven in part by the firing of U.S. Secretary of State Rex Tillerson. Brent crude, the international benchmark for oil prices, dropped 0.5%, to settle at \$64.55 per barrel.

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	1.2355	1.2455
GBP/USD	1.3925	1.4025
USD/AED	3.6675	3.6775
USD/JPY	106.00	107.00

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