



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 15<sup>TH</sup> AUGUST 2018

### DOMESTIC NEWS

The Kenyan shilling held stable against the US dollar on Tuesday as dollar inflows from horticulture exports matched subdued dollar demand from importers and commercial banks. The local currency traded at 100.65/85, same as Monday's close.

We expect the local currency to remain relatively stable in the short term supported by inflows from the horticulture sector amid subdued demand for the greenback from importers. However, we may see the shilling come under pressure from a stronger US dollar in the global markets as emerging market currencies continue to fall due to Turkey's economic woes.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.25	104.25	98.25	103.25
GBP/KES	123.95	131.95	124.45	131.45
EUR/KES	110.60	117.60	111.10	117.10
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0412%	6.0412%	0.000
91-Day T-bill	7.668%	7.611%	0.057
182-Day T-Bill	9.017%	9.083%	-0.066
364-Day T-Bill	9.990%	10.008%	-0.018
Inflation	4.35%	4.28%	0.070
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The US dollar advanced to a 13-month peak on Tuesday against a basket of major currencies as traders increased their safe-haven holdings of the U.S. currency on worries about the fallout from the Turkish lira's recent fall. The Turkish lira has lost more than 40% of its value against the dollar this year, hit by worries over President Erdogan's calls for lower interest rates and fraying ties between the US and Turkey, a NATO ally. On Tuesday, however, the lira recovered some ground, trading at 6.43 to the dollar, up 6.8% on the day, after plunging to an all-time low of 7.24 on Monday.

The dollar index, which tracks the dollar against six major global currencies, rose 0.4% to close at 96.85, the highest since June 2017.

The euro was down 0.7% against the dollar to close at \$1.1325, the lowest since July 2017 as concerns about European banks' exposure to Turkey spurred selling of the euro.

The pound was frail, sliding back to a 13-month low of \$1.2690 after weaker-than-forecast wage growth offset an unexpected fall in Britain's unemployment rate. The British currency fell heavily last week after a stronger dollar and concerns about the state of UK negotiations with the European Union over a future trade deal combined to hammer the pound.

Meanwhile, global oil prices fell on Tuesday, pulled down by a report of increased U.S. crude inventories as a darkening economic outlook stoked expectations of lower fuel demand. Brent crude, the international benchmark for oil prices, was at \$72.34 per barrel, down 0.2% from their last close.

#### Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	6.50%	2.00%
1 Month	7.50%	2.25%
3 Months	8.50%	2.75%
6 Months	9.50%	3.25%
1 year	9.75%	3.50%

#### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1275	1.1375
GBP/USD	1.2640	1.2740
USD/AED	3.6675	3.6785
USD/JPY	110.75	111.75

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