



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH MARCH 2018

DOMESTIC NEWS

Kenya's shilling remained stable against the US dollar for a second day running on Wednesday as demand for the greenback from oil, retail and manufacturing importers was matched by inflows from horticulture exports and diaspora remittances. The local currency traded at 101.20/40, same as Tuesday's close.

We expect the local unit to remain relatively stable in the short term supported by health inflows from exporters and investors buying government securities as demand for the greenback from importers and multinational companies paying dividends to offshore investors picks up towards the end of the month.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	137.55	145.55	138.05	145.05
EUR/KES	121.85	128.85	122.35	128.35
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.0415%	4.1144%	-0.073
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 rose modestly against major currencies on Wednesday after three straight days of losses, as investors booked profits on their short currency bets, but the outlook remained murky amid political uncertainty in the Trump administration. Trump's firing of U.S. Secretary of State Rex Tillerson on Tuesday, a week after the resignation of U.S. economic adviser Gary Cohn, has underscored an uncertain environment in the administration that is sure to scare away top-level talent.

The dollar index against six major currencies was up 0.1% at 89.65, within striking distance of a one-month low of 89.40.

Elsewhere, the euro fell after European Central Bank President Mario Draghi struck a dovish tone in his latest speech. The euro was last down 0.2% at \$1.2370 below Wednesday's near one-week high of \$1.2413.

The sterling pound also pulled back from a three-week high after the dollar rebounded with investors remaining cautious about pushing the pound much higher until there was clarity on the terms of a Brexit transition deal. The pound last traded at \$1.3970, down 0.1% from the previous close.

Meanwhile, global oil prices were stable on Wednesday, supported by healthy global demand but held back by the relentless rise in U.S. production that is undermining efforts led by producer cartel OPEC to cut supplies and prop up markets. Brent crude, the international benchmark for oil prices, close at \$64.95 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	1.2320	1.2420
GBP/USD	1.3920	1.4020
USD/AED	3.6680	3.6780
USD/JPY	105.45	106.45

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