



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling was relatively steady against the US dollar for a second day running on Wednesday, supported by tight liquidity in the local money markets amid thin demand for the greenback from importers. The local currency traded at 100.70/90, little changed from Tuesday's close of 100.65/85. We expect the shilling to remain relatively stable in the short term receiving support from horticulture exports inflows as demand for the dollar from importers remains subdued.

Meanwhile, Kenya's Monetary Policy Committee (MPC) will hold its next rate-setting meeting on Sept.24. At its last meeting in July, the bank cut its benchmark lending rate to 9% from 9.5% previously.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.30	104.30	98.30	103.30
GBP/KES	124.20	132.20	124.70	131.70
EUR/KES	111.25	118.25	111.75	117.75
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	6.2026%	6.5984%	-0.396
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 fell marginally from a 13-month peak on Wednesday as risk aversion eased and emerging market currencies bounced back on news that Qatar pledged to invest \$15 billion in Turkey to support the Turkey's banking system and on other news that a Chinese delegation will travel to the United States late in August to hold trade talks.

The dollar index, that tracks the greenback against six major global currencies, was 0.15% lower at 96.45. It pulled back from a 13-month high of 96.95 scaled previously when currency turmoil in Turkey supported safe-haven assets and weighed on emerging market currencies. The Turkish lira has since recovered after slumping to a record low on Monday.

As the dollar sagged, the euro rose 0.25% to trade at \$1.1380 after plumbing near a 14-month low of \$1.13010 on Wednesday. Concerns that European banks would be hit by financial turmoil in Turkey had weighed on the single currency.

The sterling pound also recovered against the dollar, edging up 0.15% to close \$1.2715 and crawling away from a 13-month low of \$1.2660 brushed on Wednesday. The British currency has weakened sharply this month as markets grow increasingly worried that Britain will crash out of the European Union next year without a trade deal.

Elsewhere, global oil prices fell on Wednesday after US government data showed a surprise weekly increase in domestic crude stockpiles, compounding worries about the global economic growth outlook. Brent crude, the global benchmark for oil prices, was down almost 2% to close at \$71.05 a barrel.

Indicative Profit Rates on Deposits

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

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1330	1.1430
GBP/USD	1.2665	1.2765
USD/AED	3.6675	3.6785
USD/JPY	110.30	111.30

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