



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH JULY 2018

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the US dollar on Friday as hard currency inflows from horticulture exports balanced out low demand for the greenback from oil and manufacturing importers. The local currency traded at 100.60/80, marginally stronger than Thursday's close of 100.70/80.

We expect the local unit, which has strengthened 2.4% against the dollar on a year-to-date (YTD) basis to remain relatively stable in the short term supported by healthy horticultural exports inflows, diaspora remittances and foreign investors purchasing stocks and government debt as demand for the greenback from oil and manufacturing importers remains low.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.20	104.20	98.20	103.20
GBP/KES	129.40	137.40	129.90	136.90
EUR/KES	114.25	121.25	114.75	120.75
AED/KES	25.90	28.90	25.90	28.90

Money Market Rates	Current	Previous	Change
Interbank Rate	2.7805%	3.3008%	-0.520
91-Day T-bill	7.701%	7.725%	-0.024
182-Day T-Bill	9.322%	9.499%	-0.177
364-Day T-Bill	10.381%	10.442%	-0.061
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar fell against a basket of major global currencies on Friday, fading from a two-week peak which was tied to news of a record Chinese trade surplus that may fuel U.S.-China trade tensions and that briefly spurred safe-haven bids for the greenback.

The dollar index, which tracks the greenback against six major global currencies, was down 0.5% to close at 94.70 after touching 95.20 on Thursday, which was the highest since June 29. Despite the greenback's stalling on Friday, prospects for a strong dollar remain intact.

The euro recovered from a nine-day low on Friday as the US dollar stalled to close at \$1.1690. The single currency had dropped to a nine day low of \$1.1640 on Thursday before recovering on Friday thanks to the falling dollar.

Meanwhile, the sterling pound also rebounded against the dollar on Friday after U.S. President Donald Trump said he looked forward to finalizing a post-Brexit trade deal with Britain. Trump said on Friday he looked forward to finalizing a trade deal with Britain after it had left the European Union, marking an abrupt change from a newspaper interview when he said Prime Minister Theresa May's Brexit strategy would kill such an agreement. The British currency rose 0.5% to close at \$1.3240.

Elsewhere, global oil prices rose on Friday as strike actions in Norway and Iraq hit supplies, but prices were set for a second straight week of decline after Libyan ports reopened and on the view that Iran might still export some crude despite U.S. sanctions. Brent crude, the international benchmark for oil prices, rose 47 cents to settle at \$74.87 a barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	7.00%	2.00%
1 Month	8.50%	2.25%
3 Months	9.25%	2.75%
6 Months	9.50%	3.25%
1 year	10.00%	3.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1640	1.1740
GBP/USD	1.3190	1.3290
USD/AED	3.6675	3.6785
USD/JPY	111.95	112.95

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