



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar for a third consecutive day on Thursday as demand for the greenback from importers was matched by healthy inflows from horticulture exports and diaspora remittances. The local currency traded at 101.20/40, same as Wednesday's close.

We expect the local unit to remain relatively stable in the short term as focus turns to Monday's Central Bank of Kenya's Monetary Policy Committee meeting in which we expect the CBK to maintain the CBR at 10%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	137.10	145.10	137.60	144.60
EUR/KES	121.20	128.20	121.70	127.70
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Change
Interbank Rate	4.1316%	4.0415%	0.090
91-Day T-bill	8.023%	8.026%	-0.003
182-Day T-Bill	10.401%	10.385%	0.016
364-Day T-Bill	11.128%	11.128%	0.000
Inflation	4.46%	4.83%	-0.370

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar rose for a second straight session on Thursday as markets braced for next week's Federal Open Market Committee meeting at which the U.S. central bank is expected to raise interest rates for the first time this year. The greenback also found some support from upbeat U.S. data on Thursday, which showed the number of Americans filing for unemployment benefits fell last week.

The dollar index, which measures the greenback against a basket of six other major currencies, was up 0.5% at 90.05. Since the beginning of the month, the index has lost about 0.7%.

The euro fell 0.5% against the dollar to \$1.2310, still pressured by dovish talk from European Central Bank President Mario Draghi. The ECB head said on Wednesday that low inflation has kept the bank from ending a key stimulus program.

Meanwhile, the sterling pound also fell on Thursday as the dollar gained ground, while skepticism about the prospect of a smooth Brexit transition deal also weighed on the pound. The British currency slipped 0.25% to close at \$1.3935. Worries have grown that Britain and EU officials would fall short of securing a transition arrangement at the March 22-23 summit as differences have grown in recent days.

Elsewhere, global oil prices rose on Thursday after the International Energy Agency said global oil demand is expected to pick up this year. Brent crude, the international benchmark for oil prices, rose 23 cents to settle at \$65.12 a 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	1.2260	1.2360
GBP/USD	1.3885	1.3985
USD/AED	3.6675	3.6775
USD/JPY	105.35	106.35

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