



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling strengthened further against the US dollar on Monday, continuing on an upward path from last week, supported by inflows from horticulture exports and diaspora remittances amid thin demand for dollars from retail, manufacturing and oil importers. The local currency traded at 100.50/70, marginally stronger than Friday's close of 100.70/90. Last week, the Kenya shilling appreciated by 0.2% against the dollar to close at 100.90, from 101.00 the previous week.

We expect the local currency to remain bullish in the short term and trade in the 100.00/101.00 range as supply from horticulture exports continues to outweigh demand for the greenback from importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.10	104.10	98.10	103.10
GBP/KES	140.30	148.30	140.80	147.80
EUR/KES	121.10	128.10	121.60	127.60
AED/KES	25.90	28.90	25.90	28.90

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5766%	4.3695%	0.207
91-Day T-bill	8.000%	8.006%	-0.006
182-Day T-Bill	10.268%	10.318%	-0.050
364-Day T-Bill	11.135%	11.120%	0.015
Inflation	4.18%	4.46%	-0.280
CBR RATE	9.50%	10.00%	-0.50

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar fell broadly against major global currencies on Monday on hopes that the U.S.-led strike on Syria would not lead to escalation, rekindling some appetite for stocks and other risky assets and spurring investors to reduce safe-haven holdings of the greenback. Government data that showed a rebound in U.S. store sales in March failed to lift the dollar, which has been pressured by concerns over a trade war between the United States and China, the world's two biggest economies.

The dollar index, which tracks the dollar against a basket of six currencies, fell 0.4% to close at 89.40, near a two-week low of 89.355 posted last week.

The euro inched up 0.35% against the weaker dollar to close at \$1.2385. The common currency rose last week after comments from European Central bank officials reinforced expectations that ECB's bond buying programme would be wound down by the end of this year, paving the way for the bank's first rate rise since 2011.

Meanwhile, the sterling pound pushed past the \$1.43 mark on Monday and approached a post-Brexit referendum high as investors' focus shifted to data that could cement expectations of a May interest rate increase and away from Britain's military intervention in Syria. The British currency rose as much as 0.7% to close at \$1.4345, it's highest since January, as the currency continued a two-week rally against a broadly weak dollar.

Elsewhere, global oil prices dropped on Monday as investor concern waned about escalating tensions in the Middle East following air strikes on Syria. Brent crude, the international benchmark for oil prices, which had risen nearly 10% in the run-up to the strikes, settled down \$1.16 to close at \$71.60.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	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	1.2335	1.2435
GBP/USD	1.4285	1.4385
USD/AED	3.6675	3.6775
USD/JPY	106.50	107.50

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