



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling was little changed against the US dollar on Thursday, as inflows from the horticulture sector matched low demand for the greenback from importers. The local currency traded at 100.70/90, same as Wednesday's close.

We expect the local unit to remain relatively stable in the coming week and trade in the 100.20/101.20 range, supported by inflows from horticulture exports and improving remittances as demand from importers remains muted.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.30	104.30	98.30	103.30
GBP/KES	124.25	132.25	124.75	131.75
EUR/KES	111.20	118.20	111.70	117.70
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0911%	6.2026%	-0.112
91-Day T-bill	7.664%	7.668%	-0.004
182-Day T-Bill	9.005%	9.017%	-0.012
364-Day T-Bill	9.984%	9.990%	-0.006
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 U.S. dollar eased off a 13-1/2 month peak on Thursday, on news China and the US will hold a new round of trade talks later this month. The development between the world's two biggest economies offered hope for investors who have been rattled by tit-for-tat tariffs between Beijing and Washington. The dollar's pullback came while President Donald Trump praised its recent strength on Thursday, even though he had said a strong greenback puts U.S. exporters at a disadvantage.

The dollar index, that tracks the greenback against six major currencies, was down 0.12% at 96.56. It had reached a high of 96.984 on Wednesday, which was the highest since June 2017. Market optimism was also stoked by a further recovery in the Turkish lira, whose four-day plunge spurred a flight out of other emerging market currencies.

The euro was a shade lower at \$1.1375 after gaining 0.3% in early trading. The single currency was down this week brushing a 13-month low of \$1.1305 in the wake of concerns that financial turmoil in Turkey could negatively affect European banks.

The sterling pound edged up from 14-month lows on Thursday but its gains were marginal despite strong British retail sales with the currency hamstrung by fears over Britain leaving the European Union. The British currency was up 0.15% from the previous session to close at \$1.2720.

Elsewhere, global oil prices rose slightly as global markets steadied on Thursday, recovering some of the previous day's 2% slide, though a weakening outlook for crude demand kept prices in check. Brent crude, the global benchmark for oil prices, settled 67 cents higher at \$71.43 a barrel.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	6.50%		2.00%	
1 Month	7.50%		2.25%	
3 Months	8.50%		2.75%	
6 Months	9.50%		3.25%	
1 year	9.75%		3.50%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1325	1.1425
GBP/USD	1.2670	1.2770
USD/AED	3.6675	3.6785
USD/JPY	110.35	111.35

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.