



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH JULY 2018

DOMESTIC NEWS

The Kenyan shilling strengthened substantially against the US dollar on Monday, supported by increased inflows from horticulture exports amid low demand for the greenback from oil and manufacturing importers. The local currency traded at 100.30/50, considerably stronger than Friday's close of 100.60/80.

We expect the local unit to remain relatively stable and trade in the 100.00/101.00 range 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 importers remains low.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	129.00	137.00	129.50	136.50
EUR/KES	114.15	121.15	114.65	120.65
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	3.1052%	2.7805%	0.325
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 on Monday after posting its largest weekly gain in a month last Friday, as investors pared back their long bets on the greenback and rebalanced their positions ahead of Federal Reserve Chairman Jerome Powell's first congressional testimony. Powell will testify on the economy and monetary policy before the U.S. Senate Banking Committee on Tuesday, followed by testimony on Wednesday to the House of Representatives Financial Services Committee. He is likely to reiterate the Fed's gradual monetary policy tightening, although any suggestion of caution on trade could unravel the market's appetite for risk.

The dollar index, which measures the greenback against six major global currencies, fell 0.2% on the day to close at 94.47, sliding for a second straight session.

The euro, meanwhile, rose 0.2% against the weaker dollar, to close at \$1.1715, after weakening half a percent last week.

Meanwhile, the sterling pound was relatively stable against the dollar on Monday on news that May had bowed to pressure from Brexit supporters and accepted their changes to a customs bill that underpins Britain's exit from the EU. The British currency was little changed at \$ 1.3245. Sterling has struggled to capitalize in recent weeks on signs that the economy is improving because of mounting uncertainty over whether Britain can secure a trade deal with the EU before it leaves the bloc next March.

Elsewhere, global oil prices fell more than 4% on Monday as Libyan ports reopened and traders eyed potential supply increases by Russia and other producers. Brent crude, the international benchmark for oil prices, fell almost 4% to settle at \$72.15 a barrel, a three month low.

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	1.1665	1.1765
GBP/USD	1.3195	1.3295
USD/AED	3.6675	3.6785
USD/JPY	111.90	112.90

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