



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 18<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling strengthened against the US dollar for the second day running on Tuesday to hit its highest level since May 2016, supported by health inflows from horticulture exports amid low demand for the greenback from exporters and as banks offloaded their long dollar positions to fund their Cash Ratio Reserve (CRR) positions on the money market side and meet tax obligations which banks will be remitting to CBK.

The local unit traded at 100.30/50, marginally stronger than Monday's close of 100.50/70. We expect the local unit to remain relatively stable in the short term and trade in the 100.00/101.00 level, supported by health horticulture inflows as demand remains muted.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	139.55	147.55	140.05	147.05
EUR/KES	120.70	127.70	121.20	127.20
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6541%	4.5766%	0.078
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%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The US dollar rose from a three-week low on Tuesday, helped by falls in the euro and sterling, even as U.S. data eased concerns about a slowdown in the world's largest economy. However, investors remained cautious about the greenback because of tension in the Middle East and a U.S. trade dispute with China. For now though, stronger-than-expected U.S. housing statistics in March helped the dollar, as did a positive reading on industrial production.

The dollar index, which measures the greenback against six major currencies, rose 0.1% to close at 89.51. Earlier on Monday, the dollar fell to a three-week low against major currencies after President Donald Trump said that China and Russia were trying to devalue their currencies and investors interpreted Trump's comments as a nod to having a weaker currency.

The euro, meanwhile, fell 0.1% against the dollar to close at \$1.2375, after a monthly survey showed morale among German investors was deteriorating.

The sterling pound was also down, slipping 0.3% to \$1.4295, hurt by data showing British workers' pay is still rising by less than inflation despite the lowest unemployment rate since 1975.

Elsewhere, global oil prices rose on Tuesday, as support from the possibility of supply disruptions and a strong equities market offset the effects of profit-taking following last week's rally above three-year highs. Brent crude, the international benchmark for oil prices, gained 0.3% to settle at \$71.58 a barrel. Brent has risen 1.8% so far this month. It hit a peak last week of \$73.09, the highest since late 2014, after the United States and allies launched air strikes on Syria, raising concerns about continued access to regional crude supplies.

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	1.2325	1.2425
GBP/USD	1.4245	1.4345
USD/AED	3.6675	3.6775
USD/JPY	106.85	107.85

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