



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH JUNE 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar on Monday as inflows from the horticulture sector matched muted demand for the greenback from importers. The local currency traded at 101.00/101.20, same as Thursday's close as markets were closed on Friday for a public holiday.

We expect the local unit to remain relatively stable in the short term and trade in the 100.50/101.50 range as tightening liquidity in the money markets is bound to increase demand for the local currency and as the shilling continues to receive support from strong horticulture inflows, improving diaspora remittances and high forex reserves.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	130.00	138.00	130.50	137.50
EUR/KES	114.05	121.05	114.55	120.55
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	4.0457%	3.7460%	0.300
91-Day T-bill	7.821%	7.850%	-0.029
182-Day T-Bill	9.800%	10.061%	-0.261
364-Day T-Bill	10.706%	10.949%	-0.243
Inflation	3.95%	3.73%	0.220
CBR RATE	9.50%	9.50%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar fell marginally against major global currencies on Monday after U.S. President Donald Trump's threats of more tariffs on China raised worries about an escalating trade war between the world's two largest economies. President Trump threatened to impose a 10% tariff on \$200 billion of Chinese goods, escalating a tit-for-tat trade war with Beijing.

The dollar index, which measures the greenback against six major global currencies, fell 0.1% to close at 94.65.

The euro rose from a 19 month low set on Monday despite a dispute in Germany's governing coalition. Chancellor Angela Merkel's Bavarian allies may defy her by implementing a plan to limit immigration at the German border and risk destabilizing her three-month-old coalition. The common currency, which fell 1.3% last week after the ECB signalled it will keep rates at record lows well into 2019, rose 0.15% to close at \$ 1.1625.

Meanwhile, the sterling pound fell on Monday, with traders reluctant to buy sterling before a Bank of England policy meeting this week and another expected parliamentary confrontation over the government's Brexit plans. Prime Minister Theresa May's Brexit plans face the prospect of rejection by parliament's upper chamber, setting the stage for a high-stakes confrontation with rebel lawmakers later in the week. The British currency fell 0.25% to \$1.3255 dollar, not far from the seven-month low of \$1.3205 hit late last month.

Elsewhere, global oil prices rose on Monday in volatile trade as market participants lowered their expectations for how much OPEC might increase production and investors assessed the impact of a trade dispute between the United States and China. Brent crude, the international benchmark for oil prices, jumped \$1.90 to \$74.90 a barrel.

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	1.1575	1.1675
GBP/USD	1.3205	1.3305
USD/AED	3.6675	3.6775
USD/JPY	109.25	110.25

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