



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling held stable against the U.S. dollar on Friday amid thin trading as focus turned to the Central Bank Monetary Policy Committee meeting to be held today, where we expect the committee to maintain the key Central bank Rate (CBR) at 10% as the shilling has remained stable and inflation is below 5%. The local currency traded at 101.20/40, same as Thursday close.

We expect the local unit to remain relatively stable in the short term as demand for the greenback from importers is matched by health inflows from horticulture exports, diaspora remittances and from foreign investors buying government securities.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	137.00	145.00	137.50	144.50
EUR/KES	120.75	127.75	121.25	127.25
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6296%	4.1316%	0.498
91-Day T-bill	8.023%	8.026%	-0.003
182-Day T-Bill	10.401%	10.385%	0.016
364-Day T-Bill	11.128%	11.128%	0.000
Inflation	4.46%	4.83%	-0.370

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar rose against major currencies on Friday, supported by solid U.S. economic data that further supported consensus expectations that the Federal Reserve will raise interest rates at this week's monetary policy meeting. Given the high expectations for a 25 basis-point rate hike to 1.75% from 1.5% previously, investors focus will now be on the Fed's outlook for further hikes in 2018 and beyond.

The dollar index, which measures the greenback against a basket of six major currencies, was up 0.15% at 90.315. It had been on the defensive for much of the week amid the shake-up inside Trump's administration and as this week's Federal Reserve policy meeting comes into focus.

The euro fell 0.25% to close at \$1.2260, with little to drive the single currency higher. The single currency has struggled to make much headway since rallying in January and faced further headwinds after the ECB last week cautioned investors not to expect a paring back of monetary stimulus any time soon.

Meanwhile, the sterling pound also fell on Friday to close the week at \$1.3920 as the dollar rebounded but it was still set for its biggest weekly rise in a month as investors became cautiously hopeful that Britain would strike a transition deal at a summit next week for its EU exit.

Elsewhere, global oil prices fell on Friday as increased drilling in the United States pointed to more output, raising concerns about a return of oversupply. Brent crude, the international benchmark for oil prices, was at \$65.85 per barrel, down 0.5% from the last close.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	7.00%	1.50%
1 Month	9.50%	2.00%
3 Months	9.75%	2.50%
6 Months	10.00%	3.00%
1 year	10.25%	3.25%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2210	1.2310
GBP/USD	1.3870	1.3970
USD/AED	3.6675	3.6775
USD/JPY	105.25	106.25

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