



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the US dollar on Thursday supported by health inflows from horticulture exports and foreign investors buying government securities as importers continued to hold back demand for the greenback expecting further strengthening of the shilling. The local unit last traded at a near-two years high of 100.15/35, compared to Wednesday's close of 100.30/50.

As we approach end month, we expect increased demand from oil and other merchant importers, looking to lock in favourable rates after the Shilling's recent gains to weigh on the currency.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.75	103.75	97.75	102.75
GBP/KES	137.15	145.15	137.65	144.65
EUR/KES	120.25	127.25	120.75	126.75
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6036%	4.4647%	0.139
91-Day T-bill	8.000%	8.000%	0.000
182-Day T-Bill	10.266%	10.268%	-0.002
364-Day T-Bill	11.137%	11.135%	0.002
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 against major global currencies on Thursday on higher U.S. bond yields and expectations of more rate increases from the Federal Reserve. The U.S. economy, while not firing on all cylinders, has remained on a steady growth path which has assured the Fed to stick with its current pace of rate increases. This has propelled the two-year Treasury yield to 2.436%, its highest level since September 2008.

The dollar index, which tracks the greenback against six major currencies, rose 0.4% from the previous session to close at 89.95 with the relatively optimistic backdrop in the United States expected to support the Fed to raise short-term rates at least twice more in 2018.

The euro fell 0.3% to close at \$1.2340 after earlier hitting \$1.24 as the rise in long-term U.S. bond yields supported the dollar and pushed the single currency further back into its recent trading range.

Meanwhile, the British pound fell to two-week lows against the dollar after British retail sales recorded their biggest quarterly fall in a year during the three months to March after unusually cold weather kept shoppers at home and following comments from the Bank of England Governor Mark Carney that dampened widespread expectations for an interest rate hike in May. The pound fell to a two-week low of \$1.4080.

Elsewhere, global oil prices were stable near three-year highs reached earlier this week as ongoing OPEC-led supply cuts gradually check excess supplies. Brent crude, the international benchmark for oil prices, traded at \$73.80, same as the previous close.

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	1.2290	1.2390
GBP/USD	1.4030	1.4130
USD/AED	3.6675	3.6775
USD/JPY	107.15	108.15

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