



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Friday as demand for the greenback from oil and merchant importers outmatched inflows from horticulture exports. The local currency traded at 100.75/95, marginally weaker than Thursday's close of 100.70/90. The shilling, which has appreciated by 2.3% against the dollar on a year to date (YTD) depreciated by 0.4% during the week driven by dollar demand from traders and oil importers coupled with subdued inflows from exporters.

We expect the local unit to remain relatively stable in the short term and trade in the 100.50/101.50 range, supported by inflows from horticulture exports, diaspora remittances and the country's high forex reserves, currently at USD 5.8 bn, equivalent to 8.7 months of import cover.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	124.50	132.50	125.00	132.00
EUR/KES	111.75	118.75	112.25	118.25
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0911%	6.0911%	0.000
91-Day T-bill	7.664%	7.668%	-0.004
182-Day T-Bill	9.005%	9.017%	-0.012
364-Day T-Bill	9.984%	9.990%	-0.006
Inflation	4.35%	4.28%	0.070
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar fell against a basket of major global currencies on Friday, retreating from a 13-month high hit earlier last week, on lower demand for the safe-haven greenback, as worries about trade tensions between Washington and Beijing eased with the expected trade talks between the US and China this week easing some of those tensions.

The dollar index, which measures the greenback against a basket of six other currencies, was down 0.55% at 96.107, on pace for its worst daily decline in nearly a month.

The euro rebounded from a more than 13-month low touched earlier last week as hopes that this week's talks between the US and China will ease trade tensions between the two limited dollar demand, although a fresh dive in the Turkish lira kept investors edgy. The euro has been under pressure on worries about euro zone bank exposure to Turkey after the lira crashed this month. The euro was up 0.4% higher to close at \$1.1430

The sterling pound also inched higher on Friday as the dollar fell across the board, and after data pointed to the UK economy holding up relatively well. Worries about whether Britain can agree a trade deal with the EU over coming months to avoid a sudden and disorderly exit from the bloc continue to keep most economists cautious. The pound was up 0.2% to close at \$1.2745.

Elsewhere, global oil prices rose on Friday, but declined on the week on worries that oversupply would weigh on the U.S. market while trade disputes and slowing global economic growth would dampen demand for oil. Brent crude, the global benchmark for oil prices, settled up 0.6% at \$71.85 a barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.50%	2.00%
1 Month	7.50%	2.25%
3 Months	8.50%	2.75%
6 Months	9.50%	3.25%
1 year	9.75%	3.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1380	1.1480
GBP/USD	1.2695	1.2795
USD/AED	3.6675	3.6785
USD/JPY	110.10	111.10

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