



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 20<sup>TH</sup> JULY 2018

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Thursday due to a surge in demand from oil importers moving to take advantage of a cheaper dollar as inflows from the horticulture sector that had previously supported the dollar declined. The local currency traded at 100.65/85 compared to Wednesday's close of 100.55/75.

We expect the local currency to come under some pressure against the dollar in the coming week as end month dollar demand from importers starts to pick up amid excess liquidity in the local money market.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.25	104.25	98.25	103.25
GBP/KES	127.20	135.20	127.70	134.70
EUR/KES	113.90	120.90	114.40	120.40
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	3.3979%	3.4155%	-0.018
91-Day T-bill	7.656%	7.701%	-0.045
182-Day T-Bill	9.194%	9.322%	-0.128
364-Day T-Bill	10.238%	10.381%	-0.143
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The US dollar fell from a one-year peak to trade marginally lower on Thursday after U.S. President Donald Trump expressed concern about a strong currency and the Federal Reserve's interest rate increases. In an interview with CNBC, Trump said a strong dollar puts the US at a disadvantage making the country's exports more expensive. Trump was also unhappy about the Fed's monetary tightening, noting he was concerned about its potential impact on the U.S. economy and American competitiveness.

The dollar index, which measures the greenback against six major global currencies, was slightly lower on Thursday at 95.10, just above the psychologically-significant threshold of 95. It had dropped from a one-year high of 95.65 to 94.80 following Trump's remarks before winning back some of its losses.

The euro was 0.1% stronger against the dollar at \$1.1655 in the aftermath of Trump's remarks after dipping to a nearly three-week low of \$1.5750 on Thursday.

Meanwhile, the sterling pound fell towards \$1.30 for the first time in 10 months, sent lower by weaker economic data and uncertainty about how Britain's approaching exit from the European Union will play out. Lackluster retail sales for June painted a picture of an economy struggling against a backdrop of stagnating wage growth, steady inflation and difficult Brexit negotiations. The British currency edged 0.3% lower at \$1.3030 and nearing an early September 2017 low of \$1.3010.

Elsewhere, Brent crude, the global benchmark for oil prices, dipped on Thursday as concerns about mounting supply returned after a brief rally earlier in the session on comments that Saudi Arabia's exports would fall in August. Brent crude fell 32 cents, to settle at \$72.65 per 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	1.1605	1.1705
GBP/USD	1.2970	1.3070
USD/AED	3.6675	3.6785
USD/JPY	111.80	112.80

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.