



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

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

### DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar for the second day running on Tuesday, with muted importer demand for the greenback being matched by inflows from the horticulture sector. The local currency traded at 101.20/101.40, same as Monday's close.

We expect the local unit to remain relatively stable in the short term and trade in the 100.50/101.50 range, receiving support from horticulture inflows, diaspora remittances and high forex reserves amid low demand for dollar from importers.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	129.05	137.05	129.55	136.55
EUR/KES	113.45	120.45	113.95	119.55
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	3.9172%	4.0457%	-0.129
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 rose to an 11-month high on Tuesday after U.S. President Donald Trump threatened more tariffs on China in an escalating trade dispute investors fear could hurt global growth. Hostility over trade between the world's two largest economies intensified on Tuesday when Trump threatened to impose a 10% tariff on \$200 billion of Chinese goods, prompting a swift warning from Beijing of retaliation.

The dollar index, which measures the greenback against six major global currencies, strengthened half a percent to hit \$95.15, its highest since July 2017 as traders bet on an escalating trade war forcing inflation up in the U.S. because of costlier imports, raising the prospect of more interest rate rises.

The euro, meanwhile, remained under heavy pressure due to a dispute in Germany's governing coalition and expectations the European Central Bank will hold interest rates steady into 2019. The single currency slumped to a two-week low of \$1.1570 after ECB President Mario Draghi called for a patient approach to European monetary policy at a forum in Portugal.

The sterling pound also fell to a fresh 2018 low on Tuesday, as concerns about an escalation in the trade dispute between the world's two biggest economies weighed on risk sentiment. With all eyes focused on the Bank of England's policy decision on Thursday, in which it is expected to unveil its monetary policy stance for the rest of the year after a run of mixed data, investors cut bets on the British currency, which fell 0.5% to close at \$1.3155, its lowest since late November.

Elsewhere, global oil prices rose on Wednesday, supported by a drop in U.S. commercial crude inventories and the loss of storage capacity in oil producer Libya. Brent crude, the international benchmark for oil prices, rose 0.2% to \$75.26 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	1.1520	1.1620
GBP/USD	1.3105	1.3205
USD/AED	3.6675	3.6775
USD/JPY	109.65	110.65

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