



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 21ST JUNE 2018

DOMESTIC NEWS

The Kenyan shilling strengthened against the US dollar on Wednesday, countering pressure from a global surge in strength of the dollar, with some support coming from offshore investors' and diaspora remittances' inflows amid low demand for the greenback from importers. The local currency traded at 100.80/101.00, marginally stronger than Tuesday's close of 101.00/101.20.

We expect the shilling to remain relatively stable in the short term and trade in the 100.50/101.50 range.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.40	104.40	98.40	103.40
GBP/KES	128.75	136.75	129.25	136.25
EUR/KES	113.15	120.15	113.65	119.65
AED/KES	25.95	25.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	4.4790%	3.9172%	0.562
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 hovered near an 11-month high against a basket of major global currencies on Wednesday, supported by a rise in U.S. Treasury yields. The dollar index, which measures the greenback against six major currencies, last stood at 95.243, its highest since mid-July 2017. Buoying the greenback, long-term Treasury yields bounced back from three-week lows, as risk aversion felt earlier in the week amid United States-China trade tensions eased.

Treasury yields also were propped up by remarks from Federal Reserve Chairman Jerome Powell, who said on Wednesday that the U.S. central bank should continue with a gradual pace of rate increases.

The euro remained slightly lower against the dollar as European Bank President Mario Draghi said the factors holding back local wages are subsiding and the ECB is confident that inflation in the euro zone would move toward its 2% goal. The euro was down 0.05% at \$1.1560, holding above an over two-week low of \$1.1530 reached on Tuesday.

The sterling pound stood little changed at \$1.3150 and near a seven-month low of \$1.3145. The British currency bounced back after British Prime Minister Theresa May won a crucial Brexit vote in parliament, averting a rebellion that could have undermined her authority. However, the bounce was limited ahead of the BoE's policy-setting meeting later on Thursday, which is expected to set the currency's near-term direction as the central bank weighs the prospects of an interest rate hike.

Oil prices fell on Wednesday as Iran signaled it could be won over to a small rise in OPEC crude output, potentially paving the way for the producer cartel to agree a supply increase during a meeting on Friday. Brent crude, the global benchmark for oil prices was at \$74.33 per barrel, down 0.55% from their last close.

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	1.1510	1.1610
GBP/USD	1.3100	1.3200
USD/AED	3.6680	3.6780
USD/JPY	110.15	111.15

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