



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 21ST MARCH 2018

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the US dollar on Tuesday, a day after the central bank cut its rate to 9.5% from 10%. The local currency traded at 101.10/30 compared to Monday's close of 101.15/35.

We expect the local currency to remain stable in coming days with demand for the greenback from importers being matched by inflows from horticulture exports, diaspora remittances and from investors buying government securities. The shilling could also get support from CBK in case of volatility as the country's foreign exchange reserves have hit an all-time high of 8.83 billion dollars equivalent to six months of import cover.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.70	104.70	98.70	103.70
GBP/KES	137.80	145.80	138.30	145.30
EUR/KES	120.60	127.60	121.10	127.10
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6423%	4.6784%	-0.336
91-Day T-bill	8.023%	8.026%	-0.003
182-Day T-Bill	10.401%	10.385%	0.016
364-Day T-Bill	11.128%	11.128%	0.000
Inflation	4.46%	4.83%	-0.370
CBR RATE	9.50%	10.00%	-0.50

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar rose against major global currencies on Tuesday as investors awaited clues from the Federal Reserve on its outlook for the U.S. economy and how many interest rate increases it may embark on in 2018. The market widely expects Fed policymakers will raise key borrowing costs by a quarter point to a target range of 1.50% to 1.75% at a two-day meeting, which will begin later on Tuesday.

The dollar index, which measures the greenback against major currencies, rose 0.488 points, or 0.54% to 90.253. It was within striking distance of a nearly two-week peak of 90.378 hit on Friday.

The euro retreated against the US dollar on a sharp drop in confidence among German investors in March. On Monday, the single currency had strengthened on a report that European Central Bank officials were shifting their debate from bond purchases, reviving bets that the ECB may raise rates sooner than previously thought. The euro was last down 0.6% at \$1.2260.

Meanwhile, the sterling pound also fell against the dollar to close at \$1.4005 after UK inflation slowed more than forecast in February, the first of several sets of data in a week when the Bank of England is expected to signal interest rates will rise as early as May.

Elsewhere, global oil prices climbed to their highest level in three weeks on Tuesday as tension in the Middle East and the possibility of further falls in Venezuelan output helped offset the impact of growing U.S. crude production. Brent crude, the international benchmark for oil prices, rose \$1.37 to \$67.42 a barrel, a 2.07% gain from the previous close.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	7.00%	1.50%
1 Month	9.50%	2.00%
3 Months	9.75%	2.50%
6 Months	10.00%	3.00%
1 year	10.25%	3.25%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2210	1.2310
GBP/USD	1.3965	1.4065
USD/AED	3.6675	3.6775
USD/JPY	105.95	106.95

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