



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

## TREASURY MARKET UPDATE 22<sup>ND</sup> JUNE 2018

### DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the US dollar for the second day running on Thursday due to inflows from portfolio investors amid low demand for the greenback from importers. The local currency traded at 100.75/95 compared with 100.80/101.00 at Wednesday's close.

We expect the shilling to hold steady against the dollar in coming days with inflows from offshore investors balancing end month demand and a globally strong dollar.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	129.90	137.90	130.40	137.40
EUR/KES	113.70	120.70	114.20	120.20
AED/KES	25.95	25.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	4.9505%	4.4790%	0.472
91-Day T-bill	7.725%	7.821%	-0.096
182-Day T-Bill	9.666%	9.800%	-0.134
364-Day T-Bill	10.537%	10.706%	-0.169
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 fell from an 11-month high against a basket of major currencies on profit-taking on Thursday, as the Philadelphia Federal Reserve's gauge of U.S. Mid-Atlantic business activity fell to a 1-1/2 year low, raising concern about the U.S. economy and causing some traders to book profits on the bullish dollar. Lower yields on U.S. Treasuries also contributed to the dollar's weakness as trade concerns and the weaker data dragged down U.S. Treasury yields.

The dollar index, which tracks the greenback against six other currencies, shed 0.3% to 94.72 after earlier touching 95.529, its highest level since last July.

The euro rebounded from an 11-month low to close at \$1.1615 after testing technical support in the \$1.15 area. The single currency had fallen on bets of a protracted period of monetary policy divergence between the U.S. Federal Reserve and the European Central Bank.

Meanwhile, the sterling pound also rebounded against the dollar after the Bank of England kept interest rates on hold but a vote for a hike by its chief economist heightened expectations that it could tighten policy at its next meeting in August. Investors had been pessimistic about the chances of the British central bank offering strong guidance about a rate hike in the near future because of uncertainty over Brexit and the state of the economy. The pound rose off a seven-month low to hit as much as \$1.3260, from \$1.3139 before the announcement, settling up 0.7% on the day, it's biggest one-day rise since mid-April.

Elsewhere, global benchmark Brent crude fell more than 2% on Thursday ahead of a meeting of the Organization of the Petroleum Exporting Countries, where producers were expected to boost output to stabilize prices. Brent crude fell \$1.39 to settle at \$73.88 a 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	1.1565	1.1665
GBP/USD	1.3210	1.3310
USD/AED	3.6680	3.6780
USD/JPY	109.50	110.50

For more details, contact our Treasury staffs- 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.