



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD APRIL 2018

DOMESTIC NEWS

The Kenya shilling jumped to its highest level since July 2015 on Friday, supported by a surge in inflows from the agriculture sector which have helped offset demand for dollars from oil and retail importers. The local currency traded at 99.95/100.15, compared to Thursday's close of 100.15/35. The shilling last traded below the psychologically important 100 level on July 8, 2015, when it was at 99.80/99.90 per dollar.

On a Year-To Date (YTD) basis, the local unit has gained 2.8% against the dollar. We expect the shilling to remain relatively stable against the dollar in the short term, supported by stronger horticulture export inflows driven by increasing production and improving global prices. Kenya's value of horticulture exports increased by 13.3% in 2017 to Kes.115 billion from Kes.101.5 billion in 2016.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.55	103.55	97.55	102.55
GBP/KES	136.25	144.25	136.75	143.75
EUR/KES	119.25	126.25	119.75	125.75
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	4.8415%	4.6036%	0.238
91-Day T-bill	8.000%	8.000%	0.000
182-Day T-Bill	10.266%	10.268%	-0.002
364-Day T-Bill	11.137%	11.135%	0.002
Inflation	4.18%	4.46%	-0.280
CBR RATE	9.50%	10.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose to a two-week high against a basket of currencies on Friday supported by rising U.S. yields. U.S. two-year Treasury yields reached 2.453% on Friday, the highest level since September 2008. Last week, Federal Reserve officials signaled further interest rate increases in 2018 based on evidence of steady U.S. growth.

The dollar index, which tracks the greenback against a basket of six currencies, rose 0.4% to close at to 90.41, after touching a near two-week high of 90.477. Still, the dollar's overall prospect remains cloudy due to expectations of the United States' growing trade and budget deficits.

The euro fell to a two-week low versus the dollar, for its biggest weekly drop in two months, as investors trimmed record high bets before a European Central Bank meeting this week where policymakers are largely expected to signal no change in policy. The euro hit a two-week low of \$1.2265, for a weekly drop of 0.4%, its steepest weekly fall in two months.

The sterling pound also fell 0.5% to a fresh two-week low of \$1.4015 against the dollar after Bank of England Governor Mark Carney signaled that the central bank may not raise interest rates in May because economic data was mixed. Investors had last week pushed the pound to its highest level since the Brexit referendum, in part because of growing expectations the BoE would increase rates next month to curb inflation.

Meanwhile, global oil prices rose on Friday, stabilizing after an earlier slide driven by U.S. President Donald Trump's criticism of OPEC's role in pushing up global oil prices. Brent crude, the international benchmark for oil prices, gained 0.4%, to settle at \$74.04 per barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	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	1.2215	1.2315
GBP/USD	1.3965	1.4065
USD/AED	3.6675	3.6775
USD/JPY	107.30	108.30

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.