



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

## TREASURY MARKET UPDATE 24<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenya shilling continued with its strengthening streak against the US dollar on Monday after rising 0.6% last week to hit the highest level since July 2015, supported by health horticulture inflows amid subdued demand for the greenback from importers. The local currency traded at 99.85/100.05, marginally stronger than Friday's close of 99.95/100.15. Though strengthening, we expect the shilling to come under some pressure in the short term due to rising demand for the dollar from oil and retail importers making end-month purchases.

Meanwhile, the Kenyan foreign exchange reserves have risen by a record 662 million U.S. dollars to clock an all-time high of 9.495 billion U.S. dollars, an equivalent of 6.35 months of import cover, according to Central Bank data released on Monday. The dollar reserves increase was buoyed by a rise in inflows from the horticulture sector and off-shore investors at the debt market.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.45	103.45	97.45	102.45
GBP/KES	135.35	143.35	135.85	142.85
EUR/KES	118.60	125.60	119.10	125.10
AED/KES	25.70	28.70	25.70	28.70

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7891%	4.8415%	-0.053
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 four-month high on Monday as the 10-year Treasury yield's climb toward the psychologically important 3% level spurred buying of the greenback, leaving other global currencies lower. The 10-year yield hit its highest in over four years at 2.998%, driven by worries about the growing supply of government debt and accelerating inflation as oil and commodity prices climb.

The dollar index, which tracks the greenback against six major currencies, rose 0.7% to close at 90.96, its highest level since Jan. 18. The strong dollar also reflected an improved outlook on trade. U.S. Treasury Secretary Steven Mnuchin said he may travel to China, a move that could ease trade tensions between the world's two largest economies.

The euro fell 0.7% to a two-month low of \$1.2215, not helped much by a survey showing business activity in April stabilizing across the euro zone. The euro had enjoyed a strong rally until February before finding itself stuck in a trading range with the dollar after the ECB cautioned investors expecting it to raise rates sooner than expected.

The sterling pound also slipped to a two-week low of \$1.3945 against the dollar as investors questioned whether the Bank of England would raise interest rates in May following weaker-than-expected economic data and cautious comments from Governor Mark Carney.

Elsewhere, global oil prices rose for the fifth day on Monday, nearing \$75 a barrel, on expectations that supplies will tighten because fuel is rising at the same time the U.S. may impose sanctions against Iran and OPEC-led output cuts remain in place. Brent crude, the international benchmark for oil prices, traded at \$74.88 a barrel, the highest since Nov. 27, 2014.

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	1.2165	1.2265
GBP/USD	1.3895	1.3995
USD/AED	3.6675	3.6775
USD/JPY	108.25	109.25

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