



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Tuesday as demand for the greenback picked up offsetting supply from horticulture exports. The local currency, which has gained 3% against the dollar this year, traded at 100.00/100.20, compared to Monday's close of 100.85/100.05. We expect the local unit 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.

Elsewhere, Mauritius' banking group SBM Holdings said on Tuesday it aimed to inject an additional \$60 million of capital into Kenya's Chase Bank in a month's time. SBM had already injected \$26 million into Chase Bank after signing an agreement to take over some of its assets. Under the deal, Chase will be renamed as SBM Bank Kenya Ltd.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.60	103.60	97.60	102.60
GBP/KES	135.85	143.85	136.35	143.35
EUR/KES	118.80	125.80	119.30	125.30
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7872%	4.7891%	-0.002
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 US dollar held steady against major global currencies on Tuesday, just below a four-month high reached on Monday after the U.S. 10-year bond yield hit 3% for the first time since early 2014. The dollar index, which measures the greenback against a basket of six major currencies, was little changed at 90.824.

The greenback had risen without pause through much of the past week as U.S.-China trade conflict woes receded and allowed the market to turn its attention back to dollar-supportive fundamentals, notably the surge by U.S. yields.

The euro was also steady against the dollar despite some lingering worries that European Central Bank policymakers may signal a more cautious stance at a policy meeting on Thursday that may pull the currency lower. The single currency stabilized at \$1.2215 after having plumbed to a low of \$1.2185, its lowest since March 1. It has fallen 3% from a 2018 high above \$1.2550 in mid-February.

The British pound, however, rose 0.3% to close at \$1.3965 on Tuesday, breaking a five-day losing streak, after news about a possible takeover of a British pharmaceutical company encouraged investors to put concerns about the British economy to one side. Weaker-than-expected wage growth and inflation data and comments last week from the Bank of England that sowed doubt over a May interest rate hike had triggered a selloff in sterling which slid to its lowest since mid-March.

Elsewhere, global oil prices fell on Tuesday as concerns that the United States might reinstate sanctions against Iran faded somewhat, reducing worries about the future of Iranian exports. Brent crude, the international benchmark for oil prices fell 1.1%, to settle at \$73.86 a 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	1.2165	1.2265
GBP/USD	1.3915	1.4015
USD/AED	3.6675	3.6775
USD/JPY	108.55	109.55

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