



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH MAY 2018

DOMESTIC NEWS

Sustained dollar buying by oil importers and other corporates weighed on the shilling, which fell beyond the 101.00 barrier against the dollar yesterday as dollar inflows remained thin. The Kenyan unit shed 10 cents to close the day at 101.00/101.20 in active trading from its opening level of 100.90/101.10.

Elsewhere, the week's Treasury bills auction was highly oversubscribed with bids at KES 44 billion versus KES 24 billion on offer. The yields were a tad lower at 7.939%, 10.232%, and 11.111% for 91,182 and 364-day bills respectively.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	131.14	139.14	131.64	138.64
EUR/KES	114.86	121.86	115.36	121.36
AED/KES	26.02	29.02	26.02	29.02

Money Market Rates	Current	Previous	Change
Interbank Rate	5.8258%	5.7044%	0.124
91-Day T-bill	7.939%	7.950%	-0.011
182-Day T-Bill	10.232%	10.257%	-0.025
364-Day T-Bill	11.111%	11.127%	-0.016
Inflation	3.73%	4.18%	-0.450
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar slipped against a basket of currencies yesterday and hit a two-week low against JPY, after U.S. President Donald Trump scrapped a summit meeting with North Korean leader Kim Jong Un citing open hostility and warned that the U.S. military was ready in the event of any reckless acts by North Korea.

Profits taking by traders following the greenback's recent rally also weighed on the dollar, which had started to lose steam in mid-week trading following the release of the minutes of the Federal Reserve's last policy meeting.

The yen, which tends to rise in times of market turbulence, hit a two-week high against the greenback. The dollar was down 0.75% at 109.24 yen. The dollar index, was down 0.26% at 93.762.

The euro rose 0.24% to close at \$1.1724 but will be its sixth consecutive week against the dollar, its longest such streak since January 2015. Meanwhile, the UK Pound rose after upbeat British retail sales data, but eased off session highs due to persistent concerns over Brexit negotiations.

Oil prices eased this morning as Russia hinted it may gradually increase output after withholding supplies since 2017 together with producer cartel OPEC. Russia energy minister Alexander Novak said on Thursday that restrictions on oil production could be eased "softly" if OPEC and non-OPEC countries see the oil market balancing in June.

Brent crude futures were at \$78.78 per barrel, down 1 cent from their last close, but more than 2% below the \$80.50 November 2014 high they reached on May 17, 2018.

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	1.1650	1.1750
GBP/USD	1.3300	1.3400
USD/AED	3.6665	3.6765
USD/JPY	109.00	110.00

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