



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar for the second day running on Wednesday, with end month demand from importers outweighing inflows from the horticulture sector and from offshore investors buying into government securities. The local currency traded at 100.05/25, slightly weaker than Tuesday's close of 100.00/20. We expect the local unit to come under pressure in the short term as importers that include oil, manufacturers and those in the energy sector make end-month purchases. However, we see the shilling getting support from the country's 9.50 billion dollars forex reserves.

Meanwhile, Kenya's economy grew by 4.9% in 2017 from a revised 5.9% in 2016, and is expected to rebound to 5.8% in 2018, the statistics office said on Wednesday. The services sectors, including tourism, had registered growth during the year helping to drive economic expansion in the face of electoral uncertainty and drought, which hit the farming and manufacturing sectors.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.65	103.65	97.65	102.65
GBP/KES	135.65	143.65	136.15	143.15
EUR/KES	118.45	125.45	118.95	124.95
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7147%	4.7872%	-0.073
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 rose to trade near a 3-1/2-month high against a basket of currencies on Wednesday, bolstered by higher U.S. Treasury yields, led by the 10-year benchmark breaching the 3% threshold for the first time in four years. The 10-year U.S. Treasury yield set a fresh four-year high of 3.035% on Wednesday, driven by worries about the growing supply of government debt and inflationary pressures from rising oil prices.

The dollar's index, which measures the greenback against six major currencies, closed at 91.15, it's strongest since Jan. 12.

The euro fell 0.35% to close at \$1.2175, within sight of a near two-month low. The near-term focus is on the European Central Bank's rates review due later on Thursday, where the ECB is set to keep policy unchanged, playing down worries over recent softness in the euro zone economy and leaving the door open to ending its lavish bond purchase scheme by the close of the year.

The sterling pound also fell against the dollar as traders remained cautious ahead of British first-quarter economic growth numbers due on Friday. The release will be the last key data issued before the Bank of England's Monetary Policy Committee meeting early next month, and markets are split over whether the central bank will raise interest rates. The pound fell 0.3% to \$1.3940 as the dollar gained across most major currencies.

Elsewhere, global oil prices rose on Wednesday despite data showing rising U.S. inventories, holding within sight of three-year highs reached the previous day on geopolitical tensions including the prospect of fresh sanctions on Iran. Brent crude, the international benchmark for oil prices, settled at \$74.44 a barrel, below the November 2014 intraday high of \$75.47 reached on Tuesday.

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	1.2125	1.2225
GBP/USD	1.3890	1.3990
USD/AED	3.6675	3.6775
USD/JPY	108.80	109.80

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.