



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

## TREASURY MARKET UPDATE 27<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling weakened significantly against the U.S. dollar on Thursday as demand for the greenback from oil, manufacturing and energy sector importers buying dollars to meet end month obligations outweighed supply from horticulture exports and from foreign investors buying government securities. The local currency traded at 100.25/45, compared to Wednesday's close of 100.05/25.

We expect the local unit to remain under some pressure in the short term as importers make end-month purchases. However, we expect the shilling to receive support from the country's high forex reserves, currently at 9.5 billion dollars or an equivalent of 6.4 months of import cover, and the 1.5 billion dollars stand-by credit and precautionary facility offered by the International Monetary Fund.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.85	103.85	97.85	102.85
GBP/KES	135.75	143.75	136.25	143.25
EUR/KES	118.00	125.00	118.50	124.50
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7276%	4.7147%	0.013
91-Day T-bill	8.000%	8.000%	0.000
182-Day T-Bill	10.268%	10.266%	0.002
364-Day T-Bill	11.143%	11.137%	0.006
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 dollar held near a 3-1/2-month high against a basket of currencies on Thursday bolstered by strong economic data, as well as by the 10-year Treasury benchmark yield breaching the 3% threshold for the first time in four years earlier in the week. The number of Americans filing for unemployment benefits dropped to the lowest level in more than 48 years last week and the goods trade deficit tumbled in March on strong export growth.

The dollar's index, which measures the greenback against six major currencies, hit a high of 91.55, its strongest level since mid-January, as investors continue to warm up to the greenback thanks to attractive Treasury yields.

The euro fell to its lowest level since mid-January and last stood at \$1.2105 after the European Central Bank announced its decision to keep monetary policy unchanged on Thursday and after ECB President Mario Draghi acknowledged evidence of a pull-back from exceptional growth readings seen around the turn of the year, although the central bank sought to bolster expectations for a gradual withdrawal of its monetary stimulus.

Meanwhile, the sterling pound fell to a five-week low on Thursday as investors grew wary about the outlook for the British currency before a central bank meeting next month and as the dollar consolidated gains after a sharp rally this week. The British currency was 0.1% lower at \$1.3920, taking its losses so far this month to more than half a percent.

Elsewhere, global oil prices rose on Thursday as the risk of renewed U.S. sanctions on Iran, plunging Venezuelan output, and robust global demand shook off the effects of a strong dollar. Brent crude, the international benchmark for oil prices, gained 34 cents to settle at \$74.74 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	1.2055	1.2155
GBP/USD	1.3870	1.3970
USD/AED	3.6675	3.6775
USD/JPY	108.75	109.75

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.