



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH JULY 2018

DOMESTIC NEWS

The Kenyan shilling held stable against the US dollar on Thursday as dollar inflows from the horticulture sector matched muted dollar demand from oil importers amid tightening liquidity in the local money markets. The weighted average daily interbank lending rate stood at 5.0561% on Wednesday, up from 3.4155% a week ago indicating tight liquidity in the market. The local unit traded at 100.40/60, same as Wednesday's close.

We expect the local currency to remain relatively stable and trade in a tight range in the short term with market players eyeing central bank's monetary policy meeting on Monday for direction.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.00	104.00	98.00	103.00
GBP/KES	127.70	135.70	128.20	135.20
EUR/KES	113.55	120.55	114.05	120.05
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0561%	4.5502%	0.506
91-Day T-bill	7.608%	7.656%	-0.048
182-Day T-Bill	9.111%	9.194%	-0.083
364-Day T-Bill	10.088%	10.238%	-0.150
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar rose against major global currencies on Friday, having regained traction as the euro slid sharply after the European Central Bank kept to its planned timetable to move away from its accommodative monetary policy. The dollar index, which measures the greenback's strength against a basket of six major currencies, rose 0.4% to close at 94.70, pulling away from a two-week low of 94.10.

Meanwhile, the euro fell on Thursday, declining the most in a month, as the European Central Bank clung to its easy money policy and signaled no change in its timetable to move away from ultra-low rates or end its bond purchase program. ECB President Mario Draghi said at a press conference following the ECB's policy decision that while he was confident regional inflation would reach the ECB's 2% target, rising tariffs and other trade barriers would hurt the growth of the 19-member economic bloc. The common currency was down 0.7% to close at \$1.1645.

Meanwhile, the sterling pound fell half a percent against the dollar on Thursday to close at \$1.3105 on a stronger dollar combined with mounting uncertainty over Brexit negotiations, offsetting the positive impact of bets on a Bank of England interest rate hike next week. With just over eight months left until Britain is due to leave the European Union, there is little clarity about how trade will flow as Prime Minister Theresa May tries to strike a deal with the bloc.

Elsewhere, global oil prices slipped on Thursday after three days of gains, but took support from Saudi Arabia halting crude transport through a key shipping lane, falling U.S. inventories and easing trade tensions between Washington and Europe. Brent crude, the global benchmark for oil prices, fell 0.3% to close at \$73.90 a barrel.

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	1.1595	1.1695
GBP/USD	1.3055	1.3155
USD/AED	3.6675	3.6785
USD/JPY	110.55	111.55

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