



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 28TH JUNE 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Wednesday as end month demand for the greenback from importers outweighed supply. Demand for dollars usually goes up at the end of the month as firms seek to meet their obligations. The local currency traded at 101.00/101.20 compared to Tuesday's close of 100.90/101.10.

We expect the local unit to remain bearish in coming days due to end month demand and trade in the 100.75/101.50 range. However, we see it receiving support from the Central Bank's high forex reserves, currently at USD 9.bn equivalent to 5.9 months of import cover, in case of high volatility.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	128.55	136.55	129.05	136.05
EUR/KES	113.40	120.40	113.90	119.90
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	6.6815%	6.660%	0.022
91-Day T-bill	7.725%	7.821%	-0.096
182-Day T-Bill	9.666%	9.800%	-0.134
364-Day T-Bill	10.537%	10.706%	-0.169
Inflation	3.950%	3.730%	0.220
CBR RATE	9.50%	10.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose against major global currencies on Wednesday, after a moderation in the U.S. administration's approach to Chinese investment. U.S. President Donald Trump said on Wednesday he will use a strengthened national security review process to thwart Chinese acquisitions of sensitive American technologies, a softer approach than imposing China-specific investment restrictions.

The dollar index, which measures the greenback against a basket of six currencies, was up 0.65% at 95.274, on pace for its second day of gains.

The euro fell 0.75% against the dollar on Wednesday to close at \$1.1565, coming under pressure from worries about the trade conflict, the threat of a political crisis in Germany and uncertainty over a European Union summit dealing with immigration. German Chancellor Angela Merkel's fragile coalition government faces potential collapse as the Christian Social Union (CSU), her Bavarian ally, has threatened to defy her and impose border controls unless their demands to reduce Germany's immigration burden are met.

The sterling pound also fell against the dollar on Wednesday, on track for its biggest daily drop in nearly two weeks, as imminent Brexit talks and doubts the Bank of England will raise interest rates at all this year darkened the outlook for the pound. The pound extended losses and fell 0.7% to a one-week low at \$1.3110 as the dollar strengthened.

Elsewhere, global oil prices jumped on Wednesday as plunging U.S. crude stockpiles compounded supply worries in a market already uncertain about Libyan exports and Washington's demands that importers stop buying Iranian crude from November. Brent crude, the global benchmark for oil prices, rose 1.7% to settle at \$77.60 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	1.1515	1.1615
GBP/USD	1.3060	1.3160
USD/AED	3.6680	3.6780
USD/JPY	109.75	110.75

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.