



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

## TREASURY MARKET UPDATE 29<sup>th</sup> MARCH 2018

### DOMESTIC NEWS

In thin trading yesterday, the Kenya shilling posted modest gains against the dollar and maintained its winning ways, as dollar demand remained muted. The local currency was also bolstered by dollar sales from exports and non-governmental organization seeking to make end of quarter payments.

in a slow start of trading, the local unit appreciated to 100.70/90 in early morning session but dollar modest buying at the dips saw it give away some of the gains to close at 100.75/95, 5 cents stronger on the day. We expect the home currency to close the month in the 100.50-101.25 levels as dollar demand remains mute.

Elsewhere, the yields of the 91, 182 and 364-day Treasury bills were largely unchanged in yesterday's auction at 8.00%, 10.384% and 11.130% respectively. The government had sought for KES 24 Billion from the market but bids submitted stood at KES 12.7Billion.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.30	104.30	98.30	103.30
GBP/KES	138.01	146.01	138.51	145.51
EUR/KES	120.81	127.81	121.31	127.31
AED/KES	25.94	28.94	25.94	28.94

Money Market Rates	Current	Previous	Change
Interbank Rate	5.675%	5.810%	-0.135
91-Day T-bill	8.000%	8.005%	-0.005
182-Day T-Bill	10.384%	10.385%	-0.001
364-Day T-Bill	11.130%	11.126%	+0.004
Inflation	4.46%	4.83%	-0.370
CBR RATE	9.50%	10.00%	-0.50

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

Concerns about trade war between the US and China abated further yesterday, which saw the dollar rise to a six-day high against a basket of major currencies, rebounding further from a five-week low touched the prior session. The US currency was further supported by quarter-end flows into the greenback as investors shook off fears of a trade war.

The dollar index, which measures the greenback against a basket of six other major currencies, was up 0.47% at 89.794. The index has gained nearly 1% since hitting a five-week low of 88.942 on Tuesday.

The euro fell 0.44% against the dollar, but was on track for a fifth straight quarterly gain, the longest such streak since 2008 supported by prospects of improved economic growth in the Euro Zone.

The pound was on a back foot, weighed by the general dollar rebound and a survey that showed British retail sales falling for the first time in five months in March. Growing hopes Britain will propose a new solution for the Irish border dispute was offset by the weak retail sales data. The UK pound was down 0.38 % at \$1.4090.

Prospects of OPEC members extending oil production cuts into 2019 supported crude prices yesterday despite data showing growing stock piles in the US. In Asia markets this morning, Brent crude futures opened at \$69.72 per barrel, up 19 cents, or 0.3% compared to yesterday's close.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	1.50%
1 Month	9.00%	2.00%
3 Months	9.00%	2.50%
6 Months	9.75%	3.00%
1 year	10.25%	3.25%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.2300	1.2400
GBP/USD	1.4050	1.4150
USD/AED	3.6675	3.6775
USD/JPY	106.00	107.00

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.