



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 30<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Friday due to increased dollar demand from oil importers to meet end month obligations. The local currency traded at 100.30/50, compared to Thursday's close of 100.25/45.

We expect the shilling, which has gained 2.8% against the dollar on a year-to-date (YTD) basis to remain under some pressure in the short term as importers make end-month purchases. However, in the medium term, we see it remaining relatively stable supported by stronger horticulture export inflows driven by increasing production and improving global prices, improving diaspora remittances and high forex reserves, currently at USD 9.5 billion equivalent to 6.4 months of import cover.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	134.40	142.40	134.90	141.90
EUR/KES	118.25	125.25	118.75	124.75
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7276%	4.7276%	0.000
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 US dollar held steady against major global currencies on Friday despite a U.S. government report showing slower U.S. first-quarter economic growth, with the currency on track to end its strongest week since November 2016, having gained 1.4%. Last week, the U.S. benchmark government bond yield broke through the psychologically significant 3% level for the first time in more than four years as investors reduced their U.S. bond holdings on worries about rising inflation and growing government debt supply.

The dollar index, which tracks the greenback against six major currencies last stood at 91.55 and still at its highest since Jan. 12.

The euro rose marginally against the dollar and last stood at \$1.2125. The common currency slid on Thursday after ECB Chief 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 tumbled to a two-month low against the dollar after Britain's economy slowed far more than expected in the first quarter of 2018, slashing expectations the Bank of England will raise interest rates in May. The pound last stood at \$1.3785.

Elsewhere, global oil prices fell marginally on Friday as a rising rig count in the United States pointed to higher production, but prices held near more than three-year highs and were on track to rise for a second consecutive month. Brent crude, the international benchmark for oil prices, dipped 0.5%, to \$74.25 a barrel. Prices climbed as high as \$75.47 last week, levels not seen since November, 2014.

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	1.2075	1.2175
GBP/USD	1.3735	1.3835
USD/AED	3.6675	3.6775
USD/JPY	108.65	109.65

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