



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

## TREASURY MARKET UPDATE 4<sup>TH</sup> APRIL 2018

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar on Tuesday after the Easter break to end a rally that it sustained last week. The local unit traded at 101.00/101.20 per dollar, down from 100.75/95 on Thursday last week before the market broke for Easter holiday. We expect the local currency, which weakened on Tuesday due to high demand for the greenback from manufacturers and oil traders amid low supply of the dollar from exporters to remain relatively stable and trade in the 101.80/101.40 in the short term.

The Kenya shilling appreciated by 2.3% against the dollar in the first quarter to close at a new high of 100.80, from 103.20 as at the end of December 2017, driven by positive sentiments due to the receding political risk and increased inflows.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	138.40	146.40	138.90	145.90
EUR/KES	120.65	127.65	121.15	127.15
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Change
Interbank Rate	6.2448%	6.0697%	0.175
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	4.18%	4.46%	-0.280
CBR RATE	9.50%	10.00%	-0.50

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The US dollar rose on Tuesday despite concerns about U.S.-China trade tensions, as risk appetite improved and Wall Street's main indexes advanced, helping the U.S. currency stabilize after recent declines. However, the outlook for the dollar remains murky due to global trade tensions after China announced tariffs on \$3 billion in imports of U.S. food and other goods in response to U.S. tariffs on imports of aluminum and steel, a skirmish that investors fear is a prelude to a broader trade war.

The dollar index against a basket of currencies was up 0.2% to close at 90.12. It has lost 2% so far this year.

Investors are now focused on U.S. data this week, led by the non-farm payrolls report for March due on Friday. The reports are expected to determine the path for future Federal Reserve interest rate increases.

Elsewhere, the euro tumbled after a survey showed the euro zone's manufacturing boom faltered for a third month in March, although output remained robust. The common currency was last down 0.3% at \$1.2270.

Meanwhile, the sterling pound held steady against a mostly firmer dollar as data showed British manufacturing gaining a bit of momentum and investors shifted their focus from Brexit to the state of the UK economy ahead of an expected rate hike next month. The pound held steady at \$1.4075.

Elsewhere, global oil prices slipped on Tuesday as a build-up in U.S. crude inventories, but Russian government comments on prospects of cooperation with OPEC to coordinate output cuts braked steeper declines. Brent crude, the international benchmark for oil prices, dipped to \$67.91 per barrel, down 0.26% from its previous 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	1.2220	1.2320
GBP/USD	1.4025	1.4125
USD/AED	3.6675	3.6775
USD/JPY	106.05	107.05

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