



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4TH MAY 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar on Thursday as thin demand for the greenback from retail, manufacturing and oil importers was matched by dollar inflows from the horticulture sector and diaspora remittances. The local currency traded at 100.10/30, unchanged from Wednesday's close.

We expect the local currency to remain relatively stable in coming days and trade in a tight range as dollar inflows from horticulture exports, diaspora remittances and offshore investors are likely to meet dollar demand from the energy and manufacturing sector.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.70	103.70	97.70	102.70
GBP/KES	132.05	140.05	132.55	139.55
EUR/KES	116.60	123.60	117.10	123.10
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	4.9053%	4.9217%	-0.016
91-Day T-bill	7.974%	8.000%	-0.026
182-Day T-Bill	10.269%	10.268%	0.001
364-Day T-Bill	11.145%	11.143%	0.002
Inflation	3.73%	4.18%	-0.450
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar held steady against a basket of currencies on Friday, having retreated from four-month highs on profit-taking, with the focus now on whether U.S. jobs data expected later on Friday will provide the spark for another push higher. The dollar has erased all its 2018 losses over the past few weeks on expectations the Federal Reserve will continue to raise interest rates while other central banks, including the European Central Bank, take longer to reduce stimulus.

The dollar index, which measures the greenback against six major currencies, held steady at 92.417. That was down from a peak of 92.834 set on Wednesday, the greenback's strongest level since late December. The dollar index has climbed more than 0.9% so far this week, putting it on track for a third straight weekly gain.

The euro also held steady at \$1.1985, staying above a near four-month low of \$1.1935 set on Wednesday. The common currency had risen 0.3% on Thursday, shrugging off data showing an unexpected slowdown in euro zone inflation, as the dollar's recent rally paused.

Meanwhile, the sterling pound trimmed gains on Thursday after a survey showed Britain's services sector struggled to recover in April from a slowdown in March, further dimming expectations of an interest rate hike next week. The British currency reversed gains and turned 0.2% lower on the day at \$1.3575 moving further away from a post-Brexit referendum high of \$1.4375 hit last month.

Elsewhere, global oil prices rose on Thursday, boosted by OPEC production cuts and the potential for new U.S. sanctions against Iran, but gains were limited by growing U.S. crude inventories. Brent crude, the international benchmark for oil prices, settled at \$73.62 a barrel, a 0.35% gain from the previous session.

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	1.1935	1.2035
GBP/USD	1.3525	1.3625
USD/AED	3.6675	3.6775
USD/JPY	108.60	109.60

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.