



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling held stable against the US dollar on Wednesday as dollar inflows from portfolio investment and horticulture exports balanced out demand from oil and manufacturing importers and as tight liquidity in the inter-bank market made it slightly more expensive for banks to hold dollars.

The local currency traded at 101.00/20, same as Tuesday's close. The weighted average interest rate on the overnight lending market for banks rose to 6.4476% on Tuesday, compared to 6.0697% on Thursday last week indicating tight liquidity conditions in the market.

We expect the local currency to remain relatively stable against the US dollar in the short term and trade in the 100.80/102.50 range in coming days.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	138.25	146.25	138.75	145.75
EUR/KES	120.60	127.60	121.10	127.10
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Change
Interbank Rate	6.4476%	6.0697%	0.378
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 held steady against major currencies on Wednesday as stocks bounced back from a sell-off triggered by an escalating U.S.-China trade dispute. A comeback by U.S. equities helped the dollar bounce, as trade war concerns calmed somewhat after President Donald Trump's economic adviser Larry Kudlow said the administration was in negotiation with China, and not engaged in a trade war.

The dollar index, which measures the greenback against six major currencies was effectively flat at 90.17, as focus shifts to Friday's U.S. jobs report for now, as steady economic fundamentals are about the only factor that can neutralize the negative effects stemming from political risks.

The euro also remained steady at \$1.2275. The common currency still remained within reach of a two-week low of \$1.2255 plumed on Tuesday after a survey showed the euro zone's manufacturing boom stumbled for a third month in March as optimism waned and demand ebbed.

Meanwhile, the sterling pound rose marginally against the dollar despite data showing a sharp slowdown in British construction activity. Since Britain signed a transition agreement last month for exiting the European Union, concerns about Brexit have abated as investors focus on the state of the UK economy before an expected interest rate rise in May. The British pound rose 0.2% to close at \$1.4070.

Elsewhere, global oil prices rose on Wednesday, buoyed by the U.S. government data showing a surprise drawdown in crude stockpiles and an easing of tensions over a trade row between the United States and China. Brent crude, the international benchmark for oil prices, was up 0.4%, at \$68.32.

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	9.50%	2.50%
6 Months	9.75%	3.00%
1 year	10.00%	3.25%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.2225	1.2325
GBP/USD	1.4020	1.4120
USD/AED	3.6675	3.6775
USD/JPY	106.45	107.45

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