



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling remained relatively stable on Friday to close the week at a new high boosted by rise in inflows from horticulture exports amid thin demand for the greenback from importers. The local currency traded at 101.25/45, same as Thursday's close.

We expect the local currency to remain bullish in the short term and test the 101.00 level, but may come under pressure in the medium term due to demand for dollars as multinational embark on payment of dividends towards the end of the month.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.85	104.85	98.85	103.85
GBP/KES	135.85	143.85	136.35	143.35
EUR/KES	121.40	128.40	121.90	127.90
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.6983%	4.8190%	-0.121
91-Day T-bill	8.029%	8.032%	-0.003
182-Day T-Bill	10.393%	10.395%	-0.002
364-Day T-Bill	11.135%	11.131%	0.004
Inflation	4.46%	4.83%	-0.370

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar fell on Friday, having pulled sharply back from six-week highs after U.S. President Donald Trump's decision to impose tariffs on steel and aluminium took the wind out of the greenback's week-long recovery. The dollar index against a basket of six major currencies fell 0.15% to 90.185.

Prior to Trump's announcement, the dollar had enjoyed a rebound from three-year lows plumbed mid-February as hawkish-sounding comments by new Federal Reserve Chair Jerome Powell sharpened expectations towards the central bank raising rates as much as four times this year.

Meanwhile, the euro inched up 0.3% to close at \$1.2320. Focus on the euro was on the Italian parliamentary election scheduled on Sunday and how much support populist agendas could garner due to its potential impact on the European Union.

The pound was flat at \$1.3790 after bouncing overnight from a near two-month low of \$1.3710 as British Prime Minister Theresa May gave her views on how to keep trade open between all of the United Kingdom and the European Union in a key speech on Friday.

Elsewhere, global oil prices rose on Friday ahead of a meeting between OPEC and U.S. shale firms scheduled for Monday, raising expectations that oil producers would discuss further how to clear a global oil glut. International benchmark Brent crude was up 0.6%, at \$64.73 a barrel.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	7.00%		1.50%	
1 Month	9.50%		2.00%	
3 Months	9.75%		2.50%	
6 Months	10.00%		3.00%	
1 year	10.25%		3.25%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2270	1.2370
GBP/USD	1.3740	1.3840
USD/AED	3.6675	3.6775
USD/JPY	105.05	106.05

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