



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Friday as demand for the greenback from oil and manufacturing imports outweighed dollar inflows from the horticulture exports. The local currency traded at 100.30/50, marginally weaker than Thursday's close of 100.20/40.

We expect the shilling to remain relatively stable in the short term, supported by inflows from offshore investors buying government debt, improving diaspora remittances and horticulture exports amid tepid demand for the dollar from importers. The shilling is also expected to continue receiving support from tight liquidity conditions in the local money market.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	126.45	134.45	126.95	133.95
EUR/KES	112.50	119.50	113.00	119.00
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	8.4545%	8.3475%	0.107
91-Day T-bill	7.611%	7.608%	0.003
182-Day T-Bill	9.083%	9.111%	-0.028
364-Day T-Bill	10.008%	10.088%	-0.080
Inflation	4.35%	4.28%	0.070
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose marginally against a basket of major global currencies on Friday despite data showing U.S. job growth slowed more than expected in July, but tightening labor market conditions supported investors' expectations for two more interest rate hikes this year. U.S. nonfarm payrolls increased by 157,000 jobs last month, against a forecast of 190,000 jobs but more than the roughly 120,000 per month needed to keep up with growth in the working-age population.

The dollar index, which measures the greenback against a basket of six other major currencies, was about 0.1% higher at 95.25, crawling near one-year peak of 95.50 reached on July 19.

The euro fell further against a stronger dollar on Friday as lingering concerns on trade tensions between the U.S and China continued to support the U.S. currency. The euro was down 0.3% to settle at \$1.1555.

The sterling pound also fell after Bank of England Governor Mark Carney said there was an uncomfortably high risk of Britain leaving the European Union without a deal. With less than eight months to go until Britain leaves the EU, the government has begun talking more publicly about the prospect of leaving without a formal agreement on its future relationship with the bloc. The pound dropped 0.3% to close at an 11-day low of \$1.2990, close to the 10-month low of \$1.2960.

Elsewhere, global oil prices rose on Friday after Saudi crude production registered a surprising dip in July. Brent crude, the international benchmark for oil prices, settled at \$73.60 per barrel up 0.6% from their last close.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	7.00%	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	1.1505
GBP/USD	1.2940	1.3040
USD/AED	3.6675	3.6785
USD/JPY	110.80	111.80

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