



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

## TREASURY MARKET UPDATE 6<sup>TH</sup> JUNE 2018

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Tuesday, reversing gains made on Monday as dollar demand from oil and manufacturing importers outweighed supply from the horticulture export inflows. The local currency traded at 100.95/101.05, compared to Monday's close of 100.80/100.00.

We expect the local unit to remain relatively stable in the short term and trade in the 100.50/101.50 range, supported by healthy horticulture inflows, improving diaspora remittances and the country's high forex reserves, currently at USD 8.95 billion, equivalent to 6.05 months of import cover.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.55	104.55	98.55	103.55
GBP/KES	131.40	139.40	131.90	138.90
EUR/KES	114.90	121.90	115.40	121.40
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	3.9478%	4.1135%	-0.166
91-Day T-bill	7.938%	7.939%	-0.001
182-Day T-Bill	10.196%	10.232%	-0.036
364-Day T-Bill	11.083%	11.111%	-0.028
Inflation	3.95%	3.73%	0.220
CBR RATE	9.50%	9.50%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The US dollar fell against major global currencies on Tuesday, weighed down by the growing trade conflict between the U.S. and its commercial partners. The dollar index, which measures the greenback against six major currencies, fell 0.1% to close at 93.87.

However, the dollar remained supported by a brighter economic outlook that has made an interest rate hike by the Federal Reserve next week a near-certainty, despite the looming trade conflict.

The euro rose on Tuesday after Italian Prime Minister Giuseppe Conte said the government had never considered leaving the euro zone and as investors started to focus on the European Central Bank's policy meeting next week. The euro traded at \$1.1715, having gained about 0.5% so far this week and hovering above its 10-month low of \$1.1510 set on May 29. The euro also got a boost after a Bloomberg report that the ECB could conclude its next policy meeting this month with a public announcement on when its quantitative easing program would end.

The sterling pound also rose against the dollar to close at \$1.3405 after a survey showed companies in Britain's dominant services sector grew more quickly than expected in May after a winter slump in early 2018. However, the mood concerning the pound's outlook remained more subdued due to uncertainty surrounding Britain's planned exit from the European Union in March 2019 and the Bank of England's path for monetary tightening.

Elsewhere, global oil prices rose on Tuesday after Venezuela raised the prospect of halting some crude exports, but gains were capped amid reports the U.S. government had asked Saudi Arabia and some other OPEC producers to increase output. Brent crude, the international benchmark for oil prices, rose 27 cents to \$75.65 a barrel, after dropping to its lowest since May 8 on Tuesday.

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	1.1665	1.1765
GBP/USD	1.3355	1.3455
USD/AED	3.6675	3.6775
USD/JPY	109.45	110.45

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