



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

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

### DOMESTIC NEWS

The Kenyan shilling was stable against the US dollar on Monday supported by low demand for dollars from oil and retail importers and was seen trading in a tight range on the back of remittances and horticulture earnings. The local currency traded at 101.25/45, same as Friday's close. We expect the local unit to remain relatively stable in the short term. However, we could see the shilling coming under pressure towards the end of the month as demand picks up as a result of multinationals dividends payments.

Meanwhile, Kenya's private-sector activity expanded at a rapid pace in February as output rose and orders increased, a survey showed on Monday, news that will cheer investors after months of election-related contraction last year. The Markit and CFC Stanbic Kenya Purchasing Managers' Index (PMI) for manufacturing and services rose to 54.7, it's highest since April 2016, from 52.9 in January. Anything above 50.0 denotes growth; anything below, contraction.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.85	104.85	98.85	103.85
GBP/KES	136.25	144.25	136.75	143.75
EUR/KES	121.65	128.65	122.15	128.15
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.5657%	4.6983%	-0.133
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 against major currencies on Monday with the dollar pulling back from six-week highs set last week after U.S. President Donald Trump's imposed tariffs on steel and aluminium, sparking fears of a global trade war. The dollar index, against a basket of six major currencies, fell 0.3% to 89.97.

The Trump administration said the tariffs would protect U.S. industry, but the dollar and Wall Street shares slumped as the plan sparked fears of retaliatory trade measures and worries about its potentially negative impact on the U.S. economy.

The euro rose as early counts in Italian elections pointed to stronger-than-expected results for euro-sceptic parties, with no major party blocs winning an outright majority. The common currency also found some support as Germany's Social Democrats (SPD) decisively backed another coalition with Chancellor Angela Merkel's conservatives. The euro traded at \$1.2345, off its seven-week low of \$1.2155, which it touched on Thursday.

Meanwhile, the sterling pound hit a five-day high against the dollar, after reports that British Prime Minister Theresa May had said she was close to securing a transition deal with the European Union. Sterling climbed to as high as \$1.3840 after the report was published, it's highest since Feb. 28.

Elsewhere, global oil prices rose on Monday on forecasts for robust oil demand growth and concerns that output from OPEC producers would grow at a much slower pace in coming years. Brent crude, the international benchmark for oil prices, gained 1.8%, to settle at \$65.60 a barrel.

#### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	7.00%	1.50%	2.00%	2.50%
1 Month	9.50%	2.00%	3.00%	3.25%
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	1.2295	1.2395
GBP/USD	1.3790	1.3890
USD/AED	3.6675	3.6775
USD/JPY	105.70	106.70

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