



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the US dollar on Monday as demand for the greenback from oil and manufacturing importers outweighed supply from the horticulture sector. The local unit traded at 100.45/65, marginally weaker than Friday's close of 100.30/50. Last week, the Kenya shilling appreciated 0.1% against the dollar, supported by remittances and agriculture inflows.

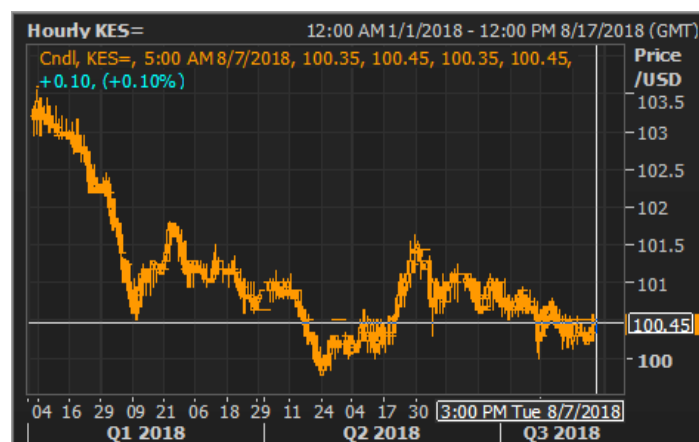
We expect the local currency to remain relatively stable in the short term, supported by tight liquidity conditions in the local money markets and inflows from horticulture exports and diaspora remittances amid low demand for the dollar from importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.05	104.05	98.05	103.05
GBP/KES	126.20	134.20	126.70	133.70
EUR/KES	112.70	119.70	113.20	119.20
AED/KES	25.90	28.90	25.90	28.90

Money Market Rates	Current	Previous	Change
Interbank Rate	8.7321%	8.4545%	0.278
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 US dollar rose on Monday, building on two consecutive weeks of gains, as investors bet that trade war rhetoric and a strong U.S. economy would continue to drive the currency higher. The dollar index, which measures the greenback against six major global currencies, rose 0.2% to close at 95.35, within striking distance of more-than-one-year peak of 95.65 reached on July 19. With Friday's U.S. jobs data broadly indicative of a strong economy and July inflation data due later this week, markets are primed for a further increase in U.S. Treasury yields, which should support the dollar.

Elsewhere, the euro fell to a five-week low as the dollar strengthened and as German industrial orders fell more than expected in June, posting their steepest monthly drop in nearly a year and a half. The common currency was down 0.2% to close at \$1.1555.

Meanwhile, the sterling pound sank to an 11-month low on Monday as comments by government officials about Brexit stoked fears among investors that Britain could soon crash out of the European Union without securing a trade agreement. With less than eight months until Britain quits the EU, the government has yet to agree a divorce deal with Brussels. The British currency fell 0.4% to close at \$1.2945, its lowest since July 19.

Elsewhere, global oil prices gained on Monday after OPEC sources said Saudi crude production unexpectedly fell in July, raising concerns about global oil supplies as the United States prepares to reinstate sanctions against major exporter Iran. Brent crude, the global benchmark for oil prices, rose 55 cents to settle at \$73.95 a barrel.

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	1.1605
GBP/USD	1.2895	1.2995
USD/AED	3.6675	3.6785
USD/JPY	110.85	111.85

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.