



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH MAY 2018

DOMESTIC NEWS

The Kenyan shilling remained relatively steady against the US dollar on Friday with dollar supply from horticulture exports and from offshore investors matched thin demand for the greenback from retail and oil importers. The local currency traded at 100.20/40, marginally weaker than Thursday's close of 100.10/30. We expect the local currency to remain relatively stable in coming days as dollar inflows from horticulture exports, diaspora remittances and offshore investors match dollar demand from importers.

Meanwhile, Kenya's private sector activity rose in April, continuing its recovery after months of slowdown last year due to a prolonged and volatile election period. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services rose to 56.4 in April from 55.7 in March. Anything above 50 denotes growth; anything below, contraction.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.80	103.80	97.80	102.80
GBP/KES	131.85	139.85	132.35	139.35
EUR/KES	116.35	123.35	116.85	122.85
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0899%	4.9053%	0.185
91-Day T-bill	7.974%	8.000%	-0.026
182-Day T-Bill	10.269%	10.268%	0.001
364-Day T-Bill	11.145%	11.143%	0.002
Inflation	3.73%	4.18%	-0.450
CBR RATE	9.50%	10.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose to its highest levels this year against major global currencies on Friday despite disappointing U.S. employment data for April. The U.S. economy added fewer jobs than expected and although the unemployment rate dropped to near a 17-1/2-year low of 3.9%, this was because some jobless Americans left the labor force.

The dollar index, which measures the greenback against six major currencies, jumped to 92.90, the highest level since Dec. 28, before falling back to close at 92.65. The dollar has gained as investors bet that the Federal Reserve will continue raising rates while other central banks, including the European Central Bank (ECB), will act more slowly.

The euro edged lower to \$1.1945, staying above a near four-month low of \$1.1938 set on Wednesday. The currency had risen 0.3% on Thursday, shrugging off data showing an unexpected slowdown in euro zone inflation.

Meanwhile, the sterling pound, which has fallen more than 6% in a fortnight, hit by a rapid reversal in predictions of an interest rate hike from the Bank of England this week, a run of worse-than-expected economic data and an investor rush to buy dollars, fell further on Friday erasing all its gains for 2018 to close at \$1.3545. Market expectations of a rate hike have fallen from more than 90% in April to 10% today and, combined with a stronger dollar, encouraged traders to sell sterling.

Elsewhere, global oil markets rose to near late-2014 highs on Friday as a decision loomed on whether the United States would walk away from a deal with Iran and instead re-imposes sanctions on Tehran. Brent crude, the international benchmark for oil prices, rose 0.4% to close at \$75.93 per barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	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	1.1895	1.1995
GBP/USD	1.3495	1.3595
USD/AED	3.6675	3.6775
USD/JPY	108.65	109.65

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