



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

## TREASURY MARKET UPDATE 8<sup>TH</sup> MARCH 2018

### DOMESTIC NEWS

The Kenyan shilling remained stable against the US dollar on Wednesday as it continued to receive support from healthy inflows from horticulture exports and diaspora remittances amid slow market activity due to reduced demand for the greenback from importers. The local currency traded at 101.20/40, same as Tuesday's close. We expect the local unit to remain stable in the coming days but may come under pressure towards the end of the month when demand for dollars is expected to surge.

Meanwhile, Kenya has asked the IMF to extend its \$1.5 billion standby credit facility that is expiring this month for a further six months. The IMF said last month that Kenya had lost access to the funds meant to cushion it against unforeseen external shocks last June because of a failure to complete a review of the programme. The Washington-based IMF said the government had committed to reduce the fiscal deficit and substantially modify interest controls, imposed on banks in 2016, which have been partly blamed for choking private sector credit growth.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	136.85	144.85	137.35	144.35
EUR/KES	122.15	129.15	122.65	128.65
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.9749%	4.5418%	0.433
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 recovered ground on Wednesday, drawing relief from positive labour market data and the White House saying Canada and Mexico, and possibly other countries, may be exempted from planned U.S. import tariffs on steel and aluminium. The dollar index against a basket of six major currencies closed at 89.585 after pulling away from a two-week low of 89.407 the previous day.

The dollar had weakened sharply following the resignation on Tuesday of Gary Cohn, the top economic advisor to the White House who was seen as seen as a bulwark against protectionism in President Donald Trump's administration.

The euro fell marginally to close at \$1.2405 after retracing a bounce earlier on Wednesday to a 2-1/2-week peak of \$1.2450. Focus for the common currency shifted to today's ECB's policy decision which is expected to keep policy unchanged for now, but may provide clues to the future about its progress towards ending its unprecedented bond purchases later this year.

Meanwhile, the Sterling pound rose marginally against the US dollar to close at \$1.3900 as British Finance minister Phillip Hammond said Britain was racing to clinch a Brexit transition deal that would be concluded later this month

Elsewhere, global oil prices steadied on Wednesday, supported by healthy demand, after falling the previous day on the back of record U.S. crude production and rising inventories. Brent crude, the international benchmark for oil prices, was at \$64.46 per barrel, up 0.2%, from their previous close.

#### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	7.00%	1.50%		
1 Month	9.50%	2.00%		
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	1.2355	1.2455
GBP/USD	1.3850	1.3950
USD/AED	3.6675	3.6775
USD/JPY	105.45	106.45

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