



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH APRIL 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar on Friday, supported by inflows from offshore investors buying government securities amid thin demand for dollars from importers. The local currency traded at 100.90/101.10, same as Thursday's close. On a YTD basis, the shilling has gained 2.1% against the US dollar.

We expect the local currency to remain relatively stable in the short term supported by a weakening dollar in the global markets, improved diaspora remittances, which increased by 47.5% to USD 210.4 million in February 2018 from USD 142.7 million in February 2017 and CBK's intervention activities, as they have sufficient forex reserves, currently at USD 8.8 billion equivalent to 5.9 months of import cover.

Indicative Forex rates

| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 97.50 | 104.50 | 98.50 | 103.50 |
| GBP/KES | 138.35 | 146.35 | 138.85 | 145.85 |
| EUR/KES | 120.50 | 127.50 | 121.00 | 127.00 |
| AED/KES | 26.00 | 29.00 | 26.00 | 29.00 |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate | 6.1696% | 6.3383% | -0.169 |
| 91-Day T-bill | 8.006% | 8.000% | 0.006 |
| 182-Day T-Bill | 10.318% | 10.384% | -0.066 |
| 364-Day T-Bill | 11.120% | 11.130% | -0.010 |
| Inflation | 4.18% | 4.46% | -0.280 |
| CBR RATE | 9.50% | 10.00% | -0.50 |

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar fell against major currencies on Friday, undermined by the ongoing trade dispute between China and the United States and a report showing the U.S. economy in March created the fewest jobs in six months. Friday's U.S. nonfarm payrolls report showed an increase of just 103,000 jobs in March, well below the market forecast of 193,000 and February's surge of 326,000.

The greenback fell as China warned on Friday that it would fight back at any cost, hours after U.S. President Donald Trump threatened to slap tariffs on an additional \$100 billion in Chinese goods.

The dollar index, which measures the greenback against six major currencies, fell 0.4% to 90.16

The euro rose 0.45% against the weakening dollar to close at \$1.2275.

The sterling pound also rose against the dollar, gaining 0.5% to close at \$1.4095. The pound has rallied since Britain last month secured a transition deal to cover the 21-month period after it leaves the European Union, and the Bank of England confirmed a policy of monetary tightening would be sooner rather than later.

Elsewhere, global oil prices fell about 2% on Friday after U.S. President Donald Trump threatened new tariffs on China, reigniting fears of a trade war between the world's two largest economies that could hurt global growth. Brent crude, the international benchmark for oil prices, settled down at \$67.37 a barrel.

Indicative Profit Rates on Deposits

| | Amounts > 10 Million | |
|----------|----------------------|-------|
| | KES | USD |
| Call | 6.75% | 1.50% |
| 1 Month | 9.00% | 2.00% |
| 3 Months | 9.50% | 2.50% |
| 6 Months | 9.75% | 3.00% |
| 1 year | 10.00% | 3.25% |

Indicative Cross Rates

| | Bid | Offer |
|---------|--------|--------|
| EUR/USD | 1.2225 | 1.2325 |
| GBP/USD | 1.4045 | 1.4145 |
| USD/AED | 3.6675 | 3.6775 |
| USD/JPY | 106.45 | 107.45 |

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