



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH AUGUST 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the US dollar on Wednesday as dollar inflows from the horticulture sector matched thin demand for the greenback from importers with tight liquidity in the money market increasing interbank demand for the local currency. The local currency traded at 100.35/55, same as Tuesday's close.

We expect the local unit to remain relatively stable in the short term, supported by improving diaspora remittances and horticulture exports inflows as demand for the greenback remains low amid tight liquidity conditions in the local money markets.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.95	103.95	97.95	102.95
GBP/KES	125.35	133.35	125.85	132.85
EUR/KES	113.15	120.15	113.65	119.65
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	8.1427%	8.1427%	0.000
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 marginally against major global currencies as retaliatory trade tariffs by China helped give the U.S. dollar a mild boost on Wednesday. China is laying additional import tariffs of 25% on \$16 billion worth of U.S. goods ranging from oil and steel products to autos and medical equipment in response to the United States' decision to impose 25% tariffs on another \$16 billion of Chinese goods starting on Aug. 23. Trade tensions have been viewed as positive for the greenback as the U.S. economy is seen as better placed to handle the disputes than emerging markets.

The dollar index, against a basket of six major global currencies, rose as high as 95.40, near a one-year high of 95.65 hit on July 19, before dropping back to 95.15, up 0.02% on the day.

The euro fell marginally against the US dollar on Wednesday failing to hold onto gains made on Tuesday when the dollar rally seemed to fade away. The common currency was down 0.15% to close at \$1.1610 due to the escalating trade tensions between the US and China.

Meanwhile, the sterling pound dropped to its lowest levels in almost a year on Wednesday on concerns about Britain's exit from the European Union. The British currency fell almost 0.75% to close at \$1.2875 as investors ramped up bets on Britain leaving the EU without an agreement with Brussels.

Elsewhere, global oil prices slid about 3% on Wednesday as the trade dispute between the US and China escalated further and after Chinese import data showed a slowdown in energy demand. Brent crude, the international benchmark for oil prices, fell \$2.37 to settle at \$72.56 a barrel, a 3.17% loss on the day.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	6.50%	2.00%
1 Month	7.50%	2.25%
3 Months	8.50%	2.75%
6 Months	9.50%	3.25%
1 year	9.75%	3.50%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1560	1.1660
GBP/USD	1.2825	1.2925
USD/AED	3.6675	3.6785
USD/JPY	110.30	111.30

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.