



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH MARCH 2018

DOMESTIC NEWS

The Kenyan shilling strengthened to a new month high against the US dollar on Thursday supported by increased inflows from horticulture exports and diaspora remittances as demand for the greenback from importers remained subdued. The local unit traded at 101.05/25, marginally stronger than Wednesday's close of 101.20/40.

We expect the shilling to remain bullish and trade below the 101.00 level in coming days. However, it may come under pressure towards the end of March as demand for dollars from multinational companies paying dividends to offshore investors surges.

Meanwhile, the IMF has extended Kenya's standby credit line of 1.5 billion U.S. dollars for six months after the country committed to policies to reduce fiscal deficit and amend interest rates control. IMF said in a statement released on Thursday that the standby credit can be tapped to help the country stabilize its balance of payments in case imports weigh on it to a level of exposing the country to external shocks like currency instability.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.65	104.65	98.65	103.65
GBP/KES	135.60	143.60	136.10	143.10
EUR/KES	121.05	128.05	121.55	127.55
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Changes
Interbank Rate	4.4741%	4.9749%	-0.501
91-Day T-bill	8.026%	8.029%	-0.003
182-Day T-Bill	10.385%	10.393%	-0.008
364-Day T-Bill	11.128%	11.135%	-0.007
Inflation	4.46%	4.83%	-0.370

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar strengthened against major currencies on Thursday and held onto its gains as U.S. President Donald Trump signed a version of the steel and aluminum tariffs, which was not as severe as some traders had feared and less likely to trigger a global trade war. The dollar index, which measures the greenback against six major peers, rose 0.6% to close the day at 90.30.

Meanwhile, the euro fell on Thursday after the European Central Bank (ECB) decided to keep the key interest rate unchanged at -0.4% after the conclusion of its monetary policy meeting on Thursday. ECB President Mario Draghi, while acknowledging faster growth in Europe, said regional inflation remained subdued. The euro was last down 0.8% to close at \$1.2315.

The sterling pound also weakened against the dollar on worries that Britain might not manage to clinch a transition deal with the European Union at a summit later this month. European Council President Donald Tusk said on Thursday that Brexit negotiations risk stalling if Britain does not present a realistic solution for the future of the Irish border, after London rejected an EU fallback proposal last week. Sterling traded down 0.7% on the day at \$1.3805.

Elsewhere, global oil prices retreated further on Thursday as a stronger U.S. dollar made the dollar-priced commodity less attractive for holders of other currencies. Brent crude, the international benchmark for oil prices was down almost 1% to close at \$63.79 a barrel.

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	1.2265	1.2365
GBP/USD	1.3755	1.3855
USD/AED	3.6675	3.6775
USD/JPY	106.15	107.15

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