



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH DECEMBER 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the U.S. dollar on Monday due to thin demand from importers amid tight liquidity in the local money market. At close of trade, the local currency traded at 102.35/55, same as Friday's close.

We expect the local unit to remain relatively stable against the greenback in the short term due to improved inflows from diaspora remittances amid reduced importer dollar demand ahead of the Christmas holiday and due to tight liquidity in the money market. The weighted average interbank average rate rose above 8% on Friday, an indication of tight liquidity in the market.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.95	105.95	99.95	104.95
GBP/KES	124.85	132.85	125.35	132.35
EUR/KES	112.95	119.95	113.45	119.45
AED/KES	26.40	29.40	26.40	29.40

Money Market Rates	Current	Previous	Change
Interbank Rate	8.8481%	8.2358%	0.612
91-Day T-bill	7.343%	7.342%	0.001
182-Day T-Bill	8.239%	8.242%	-0.003
364-Day T-Bill	9.573%	9.564%	0.009
Inflation	5.58%	5.53%	0.050
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S dollar rebounded against major global currencies on Monday, after suffering its steepest weekly drop versus a basket of currencies in three months last week, as safe-haven currency bids stoked a comeback for the greenback. However, the greenback's snapback was limited as traders reduced their expectations that the Federal Reserve might pause its interest rate hikes sooner than previously thought.

The euro was down 0.5% against the rebounding greenback to settle at \$1.1370 after hitting a near 2-1/2-week high at \$1.1425 on Friday.

Meanwhile, the sterling pound tumbled to its weakest level since April 2017 on Monday after Prime Minister Theresa May said she was delaying the planned parliamentary vote as her deal would likely be rejected by a significant margin. The move thrusts Britain's exit from the European Union into turmoil, with possible options including a disorderly no-deal Brexit, another referendum on EU membership, or a last-minute renegotiation of May's deal with Brussels.

May said she would do all she could to secure further assurances from the EU even as European Council President Donald Tusk said the Brexit deal Brussels and May had agreed on is not up for renegotiation. On the day, the pound fell 1.3% to as low as \$1.2575.

Elsewhere, oil prices remained on shaky ground on Tuesday after sliding by 3% on Monday, pressured by weakness in global stock markets and doubts that planned supply cuts led by producer club OPEC will be enough to rein in oversupply. International Brent crude oil was at \$60.10 a barrel.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	USD
2 Weeks	6.50%	2.00%
1 Month	7.50%	2.50%
3 Months	8.50%	2.75%
6 Months	9.00%	3.50%
1 year	9.50%	3.75%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1320	1.1420
GBP/USD	1.2525	1.2825
USD/AED	3.6675	3.6785
USD/JPY	112.55	113.55

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