



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH DECEMBER 2019

DOMESTIC NEWS

The home unit wavered between gains and losses in Tuesday's trading session, to close the day marginally softer against the greenback. Market players witnessed amplified demand for foreign currency in the local FX counters, with dollar buyers taking advantage of the somewhat fair levels amid waning inflows, causing the shilling to erase some of the gains garnered in the previous sessions. By close of trade, the local unit stood at 101.40/60, as compared to Monday's close of 101.25/45.

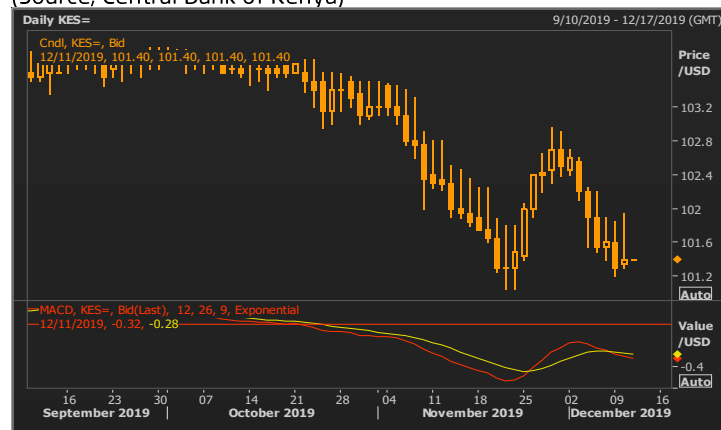
Looking ahead, the USD/KES pair remains at the mercy of broader market flows to determine its near-term direction. In other news, Fitch Affirms Kenya at 'B+' rating which reflects Kenya's high public and external debt levels and the uncertain pace of fiscal adjustment balanced against a strong and stable growth outlook.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.00	105.00	99.00	104.00
GBP/KES	129.40	137.40	129.90	136.90
EUR/KES	109.05	116.05	109.55	115.55
AED/KES	26.13	29.13	26.13	29.13

Money Market Rates	Current	Previous	Change
Interbank Rate	6.778%	6.828%	-0.050
91-Day T-bill	7.162%	7.162%	0.000
182-Day T-Bill	8.201%	8.204%	-0.003
364-Day T-Bill	9.803%	9.800%	0.003
Inflation	5.560%	4.950%	0.610
CBR RATE	8.500%	9.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index edged lower on Tuesday to 97.48, as uncertainty over whether the U.S. would delay planned tariffs on imports from China continued to weigh on sentiment. President Donald Trump's top economic advisor, reportedly said he could not confirm the further tariffs on China would be delayed. That offset positive news on trade amid a Wall Street Journal report suggesting that the U.S. was mulling a delay to imposing tariffs on China. Without a deal nor a delay to tariffs before the Dec. 15 deadline, the U.S. is slated to impose tariffs on another \$156 billion on Chinese goods. Economic uncertainty stemming from the U.S.-China trade war has prompted the U.S. Federal Reserve to cut interest rates three times this year. It is almost unanimously expected to leave interest rates unchanged on Wednesday.

The GBP/USD pair was at \$1.3184 on Tuesday. With just two days until U.K. voters head to the booths, the pound continued to rack up gains against the greenback amid expectations that the ruling Conservative party will secure a parliamentary majority to end Britain's political paralysis over Brexit since 2016.

The euro rose to \$1.1086 on Tuesday after the ZEW research institute's monthly gauge on economic morale among German investors showed improvement far beyond that of December.

The Japanese yen has been as high as 108.85 prior to the open and sent down to a low of 108.66 in recent trade and then back to the 108.70s as the price attempts to stabilize. It has been a choppy start in Asia today ahead of what is likely to be a volatile rest of the week.

Elsewhere, global oil prices traded lower on Wednesday at \$63.90 after the American Petroleum Institute reported that U.S. crude stockpiles rose last week.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	KES	USD
2 Weeks	6.50%	1.25%		
1 Month	7.00%	1.75%		
3 Months	8.00%	2.00%		
6 Months	8.50%	2.25%		
1 year	9.00%	2.50%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1020	1.1140
GBP/USD	1.3100	1.3195
USD/AED	3.6675	3.6775
USD/JPY	108.10	109.40

For more details, contact our Treasury staff- Michael, Loryne and Evelyn 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.