



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling weakened against the greenback on Friday due to increased demand for dollars from merchandise and oil importers amid low supply of the greenback from exports and remittances. At close of trade, the local currency stood at 102.10/30, significantly weaker than Thursday's close of 101.75/95.

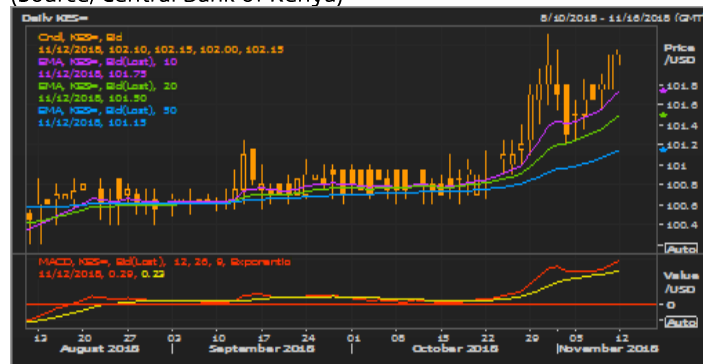
We expect the local unit to remain under pressure against the US dollar in the short and medium term due to increased dollar demand from importers of oil and other goods making payments ahead of the Christmas festive season. However, we expect the shilling to receive some support from CBK's activities in the money market, such as repurchase agreements and selling of dollars, and from the country's high levels of forex reserves, currently at USD 8.152 billion, equivalent to 5.4-months of import cover, compared to the one-year average of 5.5-months.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.70	105.70	99.70	104.70
GBP/KES	127.90	135.90	128.40	135.40
EUR/KES	112.10	119.10	112.60	118.60
AED/KES	26.30	29.30	26.30	29.30

Money Market Rates	Current	Previous	Change
Interbank Rate	2.9866%	3.2269%	-0.240
91-Day T-bill	7.349%	7.387%	-0.038
182-Day T-Bill	8.302%	8.317%	-0.015
364-Day T-Bill	9.520%	9.519%	0.001
Inflation	5.53%	5.07%	-0.170
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose towards a 16-month high against major global currencies on Friday as falling equity prices spurred a flight to quality as the U.S. Federal Reserve reaffirmed its monetary tightening stance, citing the strong U.S. economy. The S&P 500 fell more than 1%, with shares of large technology, industrial and material companies taking a hit as a slide in oil prices raised concerns about global growth.

The greenback had fallen broadly following U.S. congressional elections on Tuesday on expectations that the outcome would make further fiscal stimulus measures unlikely. But the currency bounced back, and on Friday returned to outperforming most major currencies.

The euro fell further against the stronger dollar, falling 0.15% on the day to close at \$1.1320. A standoff between the E.U. and Rome over the budget deficit and concerns over the bloc's slowing economic growth have dragged on the euro, which has fallen 4.2% versus the dollar over the last six months.

Meanwhile, the sterling pound extended its losses on Friday after Jo Johnson, the minister for Transport, resigned from Theresa May's government over her Brexit plans and called for another referendum on Britain's EU membership. The British currency was down as much as 1% on the day to close at \$1.2925.

Elsewhere, global oil prices rose by about 1% on Monday after top exporter Saudi Arabia announced a cut in supply for December, seen as a measure to halt a market slump that had seen crude decline by 20% since early October. International benchmark Brent crude was at \$71.20 per barrel, up 1.3% from their last close.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	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	1.1270	1.1370
GBP/USD	1.2875	1.2975
USD/AED	3.6675	3.6785
USD/JPY	113.55	114.55

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.