



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH NOVEMBER 2019

DOMESTIC NEWS

The Kenya Shilling continued its winning streak, as it extended its gains against the U.S. dollar on the first trading day of the week hitting a four-month high. Heightened activity on the supply counter was realized as market players swarmed in to the local FX market to divest dollar flows. Foreign currency buyers still remain well poised to snap the little dollars available however very little confrontation emanated from the demand annex, sanctioning the home unit to close the day stronger by the closing bell. The local unit last traded at its present level on July 8. By close of trade, the local unit stood at 102.30/50, as compared to Friday's close of 102.40/60.

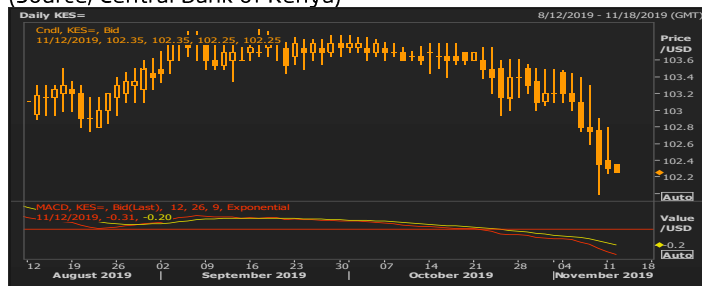
Looking ahead, the domestic unit is expected to maintain resilience versus the buck in the short term as foreign currency inflows into the market continue to offer the home unit support. Market players will be on the look out for cyphers that may change the near-term price direction of the currency pair, in absence of any noteworthy impulse. In other news, the monetary authority mopped up KES 25 Billion in excess liquidity at a weighted average rate of 4.600% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.95	105.95	99.95	104.95
GBP/KES	127.75	135.75	128.25	135.25
EUR/KES	109.55	116.55	110.05	116.05
AED/KES	26.39	29.39	26.39	29.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.112%	4.179%	-0.067
91-Day T-bill	6.390%	6.390%	0.000
182-Day T-Bill	7.189%	7.261%	-0.077
364-Day T-Bill	9.787%	9.780%	0.007
Inflation	4.950%	3.830%	1.120
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was lower on Monday at 98.05 as investors remained cautious after U.S. President Donald Trump denied he would roll back tariffs on Chinese goods. Hope of a trade deal diminished after Trump said that he had not agreed to end tariffs on Chinese goods as part of a trade deal, as was claimed by the Chinese Commerce Ministry earlier last week. Talks were moving slower than he would like, and he would only make a deal if it was best for America.

The GBP/USD pair jumped to 1.2868. Sterling surged after Brexit Party leader Nigel Farage said his party would not challenge any seats currently held by the Conservative Party. His comments increase the chances of the Tories winning a majority during the U.K. general election on Dec. 12. That would secure the EU withdrawal agreement made last month by Prime Minister Boris Johnson. In the face of benefiting from the UK's political optimism, the pound awaits fresh clues from monthly employment numbers due today.

The euro trades modestly flat in the familiar trading range on the 1.1042 handle, citing by EU officials indicate that US President Trump is expected to delay the auto tariff decision for 6 more months.

The Japanese yen is taking bids near 109.20 during early Tuesday, underpinned by reports that Hong Kong police opened fire and hit at least one protester, a fresh escalation of violence as anti-government demonstrations enter their sixth month.

Elsewhere, global oil prices fell on Tuesday to \$62.04, weighed down by uncertainty over whether U.S.-China trade talks are making much progress, while higher Saudi Arabian crude output reinforced concerns about oversupply.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
2 Weeks	6.50%	2.00%
1 Month	7.00%	2.50%
3 Months	8.00%	2.75%
6 Months	8.50%	3.50%
1 year	9.00%	3.75%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1000	1.1085
GBP/USD	1.2710	1.2850
USD/AED	3.6675	3.6775
USD/JPY	107.85	109.80

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