



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 13<sup>TH</sup> NOVEMBER 2019

### DOMESTIC NEWS

A relatively vibrant Tuesday session saw the greenback take centerstage against the local unit. The local FX counters witnessed a slight increase in foreign currency inflows in the morning session, causing the domestic unit to advance to some extent against its American counterpart. This changed later in the session as dollar buyers sought to take advantage of the rather lower prices, pushing the home unit to a faintly weaker close, cutting short the shillings' party that had dominated the market. By close of trade, the local unit stood at 102.35/55, as compared to Monday's close of 102.30/50.

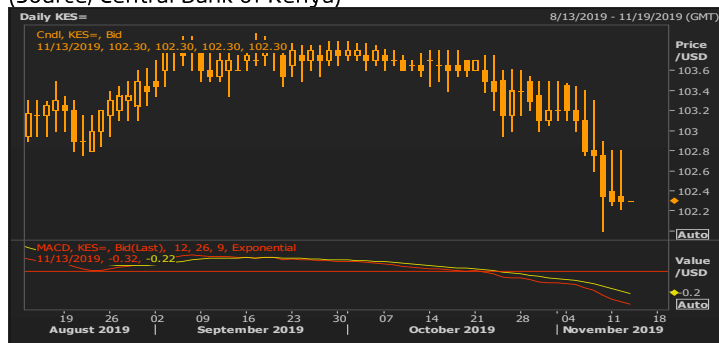
In the new day, we expect the recent USD/KES pair ranges to endure, given the sharp recent incline of the shilling. Market players will be keen to look for fresh impetus for further direction. That said, the current trading levels continue to be mainly flow driven with fundamentals taking a back seat in the interim. In other news, the monetary authority mopped up KES 5 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	98.90	105.90	99.90	104.90
GBP/KES	127.60	135.60	128.10	135.10
EUR/KES	109.25	116.25	109.75	115.75
AED/KES	26.38	29.38	26.38	29.38

Money Market Rates	Current	Previous	Change
Interbank Rate	3.847%	4.112%	-0.264
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 slightly higher on Tuesday at 98.180, but traders remained cautious as President Donald Trump said the U.S. will increase tariffs on China in case the first step of a broader agreement isn't reached. China is "dying" to make a trade deal with the U.S., Trump said, adding that he'd only sign it if it's good for American companies and workers. Still, "we're close -- a significant phase one deal could happen, could happen soon." The economic stakes of a prolonged trade war are rising for both countries. In the meantime, markets players await US Federal Reserve's chief Powell testimony due today.

The GBP/USD pair's weakness took rounds to 1.2855. The pound had surged after Brexit Party head Nigel Farage said his party won't contest any seats currently held by the Conservative Party, increasing the chance that Prime Minister Boris Johnson's EU withdrawal agreement is secured. Meanwhile, British employment numbers were a disappointment. Wage growth slowed to 3.6% in September, down from 3.8% a month earlier.

The euro was down to 1.1014 on Tuesday, after the European Central Bank's vice-president Luis de Guindos warned that the negative side-effects of its negative interest rate policy are becoming increasingly apparent.

The Japanese yen quote seesaws around 109.00 early Wednesday. Hong Kong's Chief Secretary and Secretary for Security conveyed confidence in the government's capacity to tame the protests.

Elsewhere, global oil prices dipped to \$61.90 on Wednesday as prospects for a trade deal between the United States and China dimmed, weighing on the outlook for the global economy and energy demand.

### 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	1.0950	1.1050
GBP/USD	1.2800	1.2890
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.70

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