



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH NOVEMBER 2018

DOMESTIC NEWS

A slight uptick in dollar demand from importers put pressure on the Kenyan shilling, causing it to weaken further against the U.S dollar on Tuesday despite the Central Bank intervening by selling dollars in the market. The local unit stood at 102.70/90 at close of trade, marginally weaker than Monday's close of 102.40/60.

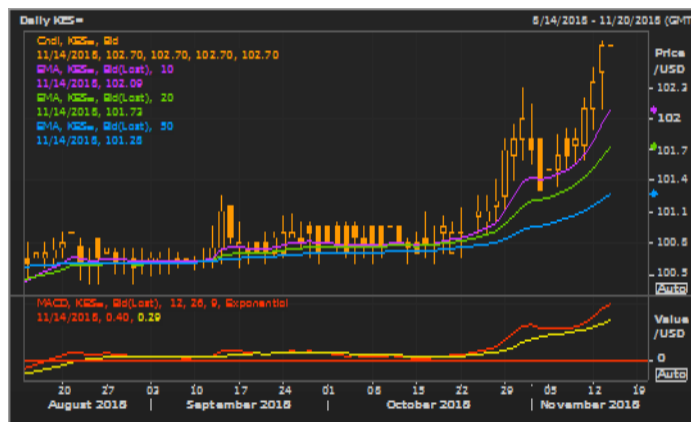
The local unit has been under pressure against the greenback since the International Monetary fund (IMF) said in a report last month that the Kenya shilling is overvalued against the U.S. dollar by up to 17.5%. High levels of liquidity in the local money markets have also put pressure on the shilling, with the weighted average over-night interbank rate currently trading at below 3%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.30	106.30	100.30	105.30
GBP/KES	129.55	137.55	130.05	137.05
EUR/KES	112.55	119.55	113.05	119.05
AED/KES	26.50	29.50	26.50	29.50

Money Market Rates	Current	Previous	Change
Interbank Rate	2.8913%	2.8372%	0.054
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%	5.70%	-0.170
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

U.S. dollar bulls took a breather on Tuesday as the greenback fell from a 16-month high as investor confidence rose on news Britain had struck a draft divorce deal with the European Union after more than a year of talks. The dollar index, a gauge of its value versus six major peers, traded at 97.15, down 0.35% from the previous session. The index had hit a 16-month high of 97.50 on Monday.

The sell-off in the dollar was due to the improved risk sentiment around the potential Brexit deal and not because of any deterioration in the fundamentals of the U.S. economy. The euro and sterling constitute around 70% of the weight in the dollar index.

The euro rose 0.3% against the weaker dollar to close at \$1.1290 above a June 2017 low of \$1.1240 hit on Monday. However, concerns about Italy's budget proposals and poor German data sapped broad appetite for the single currency.

Meanwhile, the sterling pound rose almost 1% to close at \$1.2990 after the U.K. and E.U. agreed on the text for a Brexit divorce deal. The news was cheered by investors hoping May can convince her ministers to back the draft agreement if there is to be enough time for a proposed Brexit summit of EU leaders in late November to approve it.

Elsewhere, oil prices slide accelerated on Tuesday after a massive sell-off of oil futures due to the ongoing worries about weakening global demand and oversupply. The selling was an extension of Monday's, following reports that Saudi Arabia was considering a production cut at the December OPEC meeting. Brent ended down \$4.65, or 6.6%, to \$65.25 a barrel, the largest one-day loss since July.

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	1.1240	1.1340
GBP/USD	1.2950	1.3050
USD/AED	3.6675	3.6785
USD/JPY	113.40	114.40

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