



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling held relatively stable against the greenback in active trading on Wednesday as dollar inflows from foreign portfolio investors buying government debt matched dollar demand from importers. At close of trade, the local unit traded at 102.80/103.00, little changed from Tuesday's close of 102.70/90. We expect the local currency to remain under pressure due to excess liquidity in the market and trade in the 102.50/103.50 range in the short term.

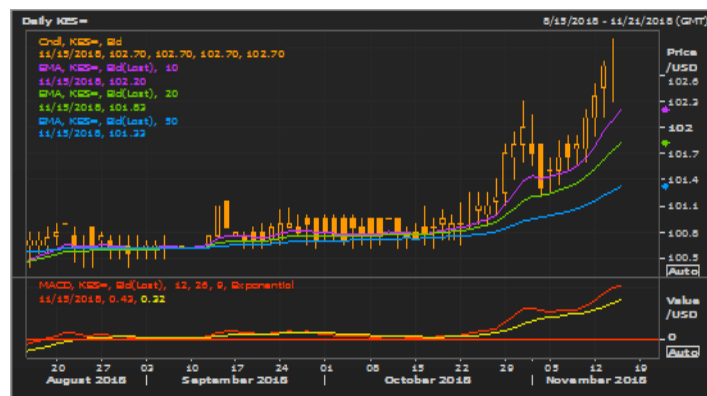
Meanwhile, the Central Bank of Kenya sold KES 27.59 billion worth of the 20-year amortized infrastructure bond - IFB1/2018/20 - against a target of KES 50 billion after receiving bids worth KES 40.39 billion. The tax-free bond with a coupon rate of 11.95% came in at a yield of 12.286%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.40	106.40	100.40	105.40
GBP/KES	129.85	137.85	130.35	137.35
EUR/KES	113.15	120.15	113.65	119.65
AED/KES	26.50	29.50	26.50	29.50

Money Market Rates	Current	Previous	Change
Interbank Rate	3.0326%	2.8913%	0.141
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

The U.S. dollar retreated further from 16-month highs against major global currencies on Wednesday, losing ground as the pound and euro strengthened. The dollar index, that tracks the dollar versus a basket of six major currencies, was down 0.45% from the previous session to close at 96.80 after hitting a 16-month high of 97.70 on Monday.

Traders brushed off a government report on U.S. consumer prices that showed domestic inflation grew at a moderate annual pace in October, although they recorded their biggest monthly increase in nine months as expected.

The euro rose 0.35% to close at \$1.1335 on hopes that the U.K. parliament would approve a draft accord for Britain to leave the E.U. The single currency has been under pressure from uncertainty on how EU officials would react to Italy's latest fiscal proposal after they rejected a version of it last month for violation of EU rules.

Meanwhile, the sterling pound rose in volatile trading on Wednesday after UK Prime Minister Theresa May received the backing of her cabinet for a draft Brexit deal, but she will now need to get the parliament to approve the agreement. In late trading, the British currency up 0.15% to close at \$1.3010.

Elsewhere, global oil prices rose about 1% on Wednesday, recouping some of the previous session's heavy sell-off, on growing prospects that OPEC and allied producers would cut output at a meeting next month to prop up prices. After 12 straight days of losses and the steepest one-day loss in more than three years, the oil market reversed course with Brent crude up 65 cents, or 1%, at \$65.85 a barrel.

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	1.1285	1.1385
GBP/USD	1.2960	1.3060
USD/AED	3.6675	3.6785
USD/JPY	112.95	113.95

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.