



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH OCTOBER 2019

DOMESTIC NEWS

The shilling fluttered between gains and losses in Friday's session as players on the demand and supply counters battled out. Foreign currency inflows from various sectors of the economy sufficiently met the fickle importer dollar demand leaving the USDKES pair little changed from the previous close. The USDKES currency pair is likely to continue trading within the recent ranges as market continues to witness matching foreign currency flows. By close of trade, the local unit stood at 103.70/90, same as Friday's close.

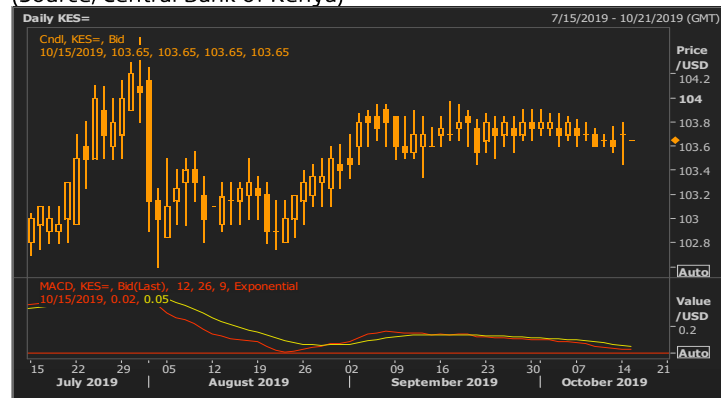
Looking ahead, we expect the home unit to remain buoyed. That said, its fortunes may be fleeting as buyers of foreign currency may come to fore and nip the greenback at these lucrative levels. In other news, the monetary authority mopped up KES 50 Billion in excess liquidity at a weighted average rate of 7.359% in the 8 - day repo and 8.243% in the 14- day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.30	107.30	101.30	106.30
GBP/KES	127.15	135.15	127.60	134.60
EUR/KES	110.95	117.95	111.45	117.45
AED/KES	26.76	29.76	26.76	29.76

Money Market Rates	Current	Previous	Change
Interbank Rate	7.992%	7.114%	0.878
91-Day T-bill	6.378%	6.307%	0.009
182-Day T-Bill	7.250%	7.200%	0.050
364-Day T-Bill	9.792%	9.798%	-0.006
Inflation	3.830%	5.000%	-1.170
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index rose to 98.167 on Monday, caused by a report suggesting China will seek more concessions from the U.S. before it signs the modest handshake deal it made last week with the U.S. China wants additional concessions from the U.S. before President Xi Jinping agrees to sign Friday's "phase-1" agreement. Specifically, Xi wants the U.S. to suspend the increase in tariffs on imports from China that is currently scheduled to come into force in December. The U.S. had already suspended the planned September tariff increase on \$250 billion of Chinese goods last week. However, trading volumes were thinner than usual given the Columbus Day holiday.

The GBP/USD pair slipped to 1.2611. Johnson says he wants to strike an exit deal at an EU summit on Thursday and Friday to allow an orderly departure on Oct. 31. If an agreement is not possible, he says he will lead the United Kingdom out of the club it joined in 1973 without a deal - even though parliament has passed a law saying he cannot do so. However, a deal to smooth Britain's departure from the EU hung in the balance on Monday after diplomats indicated the bloc wanted more concessions from Prime Minister and said a full agreement was unlikely this week.

The euro was flat at 1.1031, although markets initially welcomed the "Phase 1" trade deal between the U.S. and China outlined last week, a lack of details kept many investors cautious.

The Japanese yen is stable in Tokyo's opening hour at 108.00, over the deal between China and the US, as China needs a further meeting prior to putting anything in ink, perhaps to iron out some potential miscommunications.

Elsewhere, global oil prices fell on Tuesday to \$53.23, after reports overnight said the U.S. and China still details to iron out.

Indicative Profit Rates on Deposits

Amounts > 10 Million	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	1.1090
GBP/USD	1.2600	1.2660
USD/AED	3.6675	3.6775
USD/JPY	108.00	108.80

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