



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH DECEMBER 2019

DOMESTIC NEWS

The Kenya shilling expunged previous losses on the first day of trading this week, to close the day marginally stronger against the dollar. Despite thin trading in the local FX market, the home unit displayed a new sense of vigor following resurgence of foreign currency inflows in the market while dollar appetite from corporate and interbank players remained low. Moderate foreign currency demand failed to stir the local currency scene as market action by dollar buyers was outshined by inflows. Price action for the USDKES pair was largely flow driven. By close of trade, the local unit stood at 101.55/75, as compared to Friday's close of 101.60/80.

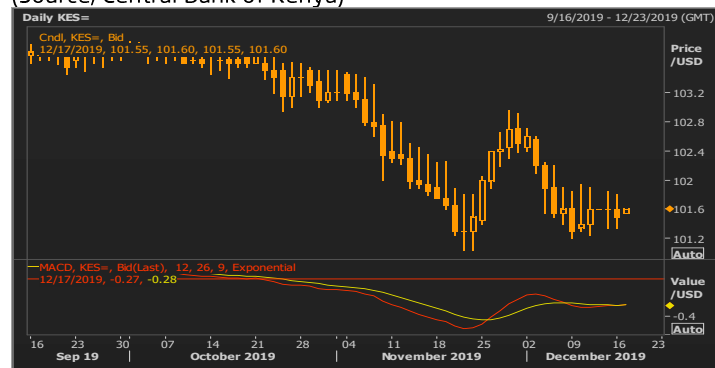
In today's session, it is expected that the USDKES currency pair will continue with its range-bound trading as demand and supply forces continue to battle out, in the absence of fresh market moving factors. The domestic unit may however strengthen if markets witness increased inflows from NGO's and diaspora remittances.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.20	105.20	99.20	104.20
GBP/KES	131.20	139.25	131.75	138.75
EUR/KES	109.85	116.85	110.40	116.40
AED/KES	26.19	29.19	26.19	29.19

Money Market Rates	Current	Previous	Change
Interbank Rate	5.065%	5.035%	0.030
91-Day T-bill	7.162%	7.162%	0.000
182-Day T-Bill	8.107%	8.201%	-0.094
364-Day T-Bill	9.798%	9.803%	-0.014
Inflation	5.560%	4.950%	0.610
CBR RATE	8.500%	9.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was down up to 96.984 on Monday, after more than two-and-a-half years of volatile negotiations between Washington and Beijing. The U.S. reduced some tariffs on Chinese goods in exchange for increased Chinese purchases of some U.S. goods. Economic data from the United States also underpinned the improved mood around the global economy. However, despite agreeing on the phase-one, the United States and China's trade relations are being termed as 'noisy ceasefire'. The news states that businesses and former trade officials at China wary of getting carried away by the latest deal.

The GBP/USD pair dropped to \$1.3236 on Monday after reports UK Prime Minister Boris Johnson was seeking a hard line on Britain's transition period after Brexit. The Prime Minister will use his huge majority to push through a radically altered bill that will prevent Parliament from extending the transition period beyond Dec 31 next year. A busy week of UK calendar is worth watching ahead of the Bank of England policy meeting on Thursday.

The euro managed to eke out gains on Monday at 1.1144, despite the dismal German and Eurozone manufacturing PMIs, but again failed to close above the long-term average.

The Japanese yen trades around 109.60 at Tuesday's Tokyo opening. Monetary policy meeting by the Bank of Japan will entertain momentum and isn't expected to alter the present monetary policy.

Elsewhere, global oil prices trickled a fraction lower on Tuesday to \$60.17 per barrel but remained near a three-month high as investors kept the faith with hopes that a fully-fledged U.S.-China trade deal is in the pipeline and set to stoke oil demand in the world's biggest economies.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	1.25%
1 Month	7.00%	1.75%
3 Months	8.00%	2.00%
6 Months	8.50%	2.25%
1 year	9.00%	2.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1100	1.1195
GBP/USD	1.3200	1.3310
USD/AED	3.6675	3.6775
USD/JPY	109.00	109.90

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