



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

## TREASURY MARKET UPDATE 18<sup>TH</sup> NOVEMBER 2019

### DOMESTIC NEWS

The Kenya Shilling stood tall and proud over its U.S. counterpart in Friday's trading session, as the greenback had no other choice but to dance to the tune of the domestic unit in a victory fete. The local FX market was once again skewed towards the supply side as more sellers jumped into the fray, overwhelming frivolous activity on the demand counter. Further strengthening of the home unit is on the cards, if foreign currency inflows continue to inundate the market. By the closing bell, the local unit stood at 101.85/05, as compared to Thursday's close of 102.00/20.

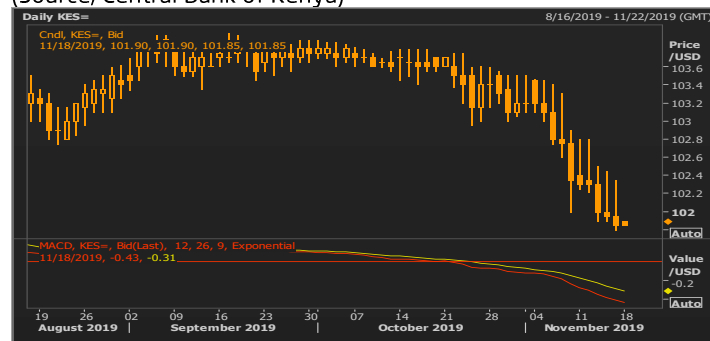
In the new week, our outlook for the domestic currency seems promising in the interim as market players continue to offload the greenback in favour of the home unit, with demand remaining relatively mute. That said, the current trading ranges continue to be mainly flow driven. In other news, the monetary authority mopped up KES 15 Billion in excess liquidity at a weighted average rate of 5.746% in the 7-day repo.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.45	105.45	99.45	104.45
GBP/KES	127.75	135.75	128.25	135.25
EUR/KES	109.25	116.25	109.75	115.75
AED/KES	26.26	29.26	26.26	29.26

Money Market Rates	Current	Previous	Change
Interbank Rate	2.873%	2.966%	-0.093
91-Day T-bill	6.680%	6.390%	0.290
182-Day T-Bill	7.774%	7.189%	0.585
364-Day T-Bill	9.784%	9.787%	-0.003
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 fell on Friday to 97.863, after data showed that manufacturing woes in the country have deepened. Manufacturing output fell to 0.6% in October, the most since May 2018. Excluding autos, output was down 0.1% last month, the Federal Reserve data showed. Industrial production slipped 0.8%, while the Empire State Manufacturing Index tumbled to 2.9 from 5.0. In the meantime, White House economic advisor said that the U.S. and China were close to securing a trade deal. His comments come after a week of volatility after reports that the two sides had hit a snag over trade talks.

The GBP/USD pair oscillated around 1.2917 on Friday after poll results from the UK polling report, comprising key surveys done through the middle of the last week, show the Conservatives keep being the favorites of the British voters. In focus today will be a speech by Prime Minister Boris Johnson and expectation is that he will deliver assurance in order to end Brexit uncertainty.

The euro had a small corrective bounce above the 1.1000 handle. Monetary policy meeting minutes from the European Central Bank will be in focus this week as investors continue to monitor the effects of recent central bank easing.

The Japanese yen rose to 108.80. On the Hong Kong civil unrest, the situation is extremely fluid and unstable after the protestors remain defiant and set Hong Kong's University entrance ablaze after the police trapped hundreds of them in the University.

Elsewhere, global oil prices were little changed at \$63.25 on Monday following steady gains in the previous week with investors awaiting fresh clues over prospects for a trade deal between the United States and China, shrugging off concerns over steadily rising oil supplies.

### Indicative Profit Rates on Deposits

Amounts > 10 Million	Indicative Profit Rates on Deposits	
	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.0980	1.1090
GBP/USD	1.2890	1.2960
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.30

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