



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH NOVEMBER 2019

DOMESTIC NEWS

The home unit remained well supported against the buck on Tuesday, holding on to gains garnered in the previous weeks. Trivial dollar demand from importers was sufficiently met by ample foreign currency inflows from various sectors of the economy. Corporate dollar sellers made forays into the local foreign exchange market, outpacing waning demand. Devoid of any major market moving events, we expect the shilling to continue trading within these elevated levels. By close of trade, the local unit stood at 101.65/85, as compared to Monday's close of 101.75/95.

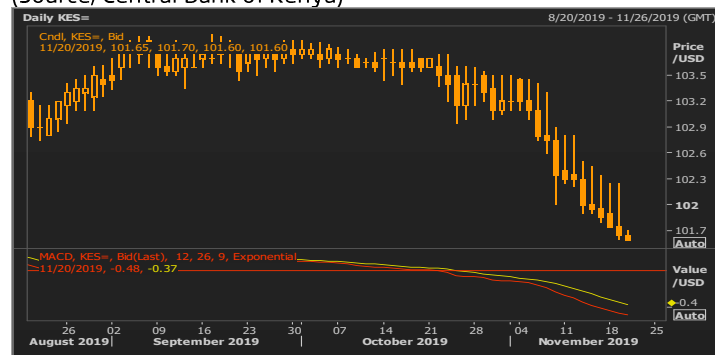
In the new day, the USDKES currency pair trading within recently established ranges, albeit with a bullish bias in the near term, as market participants look out for fresh factors to offer price direction. In other news, the monetary authority mopped up KES 5 Billion in excess liquidity at a weighted average rate of 6.837% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.25	105.25	99.25	104.25
GBP/KES	127.35	135.35	127.90	134.90
EUR/KES	109.20	116.20	109.65	115.65
AED/KES	26.20	29.20	26.20	29.20

Money Market Rates	Current	Previous	Change
Interbank Rate	2.951%	2.873%	0.078
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 inched up to 97.725 on Tuesday after Washington extended an exception for U.S. companies that do business with black-listed Chinese firm Huawei, while retail earnings were on tap. The Commerce Department issued a new 90-day extension to allow American enterprises to engage with Huawei. The tech firm was blacklisted in May as part of the broader trade war and concerns that the company is too closely affiliated with the Chinese government. The temporary reprieve on sanctions helped boost hopes that the 16-month old trade war will be resolved soon, with both sides feeling the fallout from the dispute.

The GBP/USD pair trimmed previous gains to 1.2925 amid the UK's political debate held on Tuesday. The United Kingdom's Prime Minister Boris Johnson and the opposition Labour party leader were head-to-head on the ITV's political debate. As anticipated, the debate flashed lights on many things including the European Union's importance for the UK PM vis-à-vis Brexit and how does he see National Health Services after the decision to shelve plans for corporate tax cuts. Johnson had the lead in a poll done.

The euro rally stalled at 1.1074 on Tuesday owing to a drop in the US 10-year treasury yield. Further, the US-China political tensions are weighing over risky assets.

The Japanese yen recovered from session lows early Wednesday to 109.07. The anti-risk Yen continues to benefit from the risk-off flows driven by the latest China-US political tensions.

Elsewhere, global oil prices were relatively stable on Wednesday at \$60.86 despite rising crude inventories and intensifying Sino-U.S. trade tensions. U.S. oil inventories rose sharply last week.

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	1.1005	1.1140
GBP/USD	1.2880	1.2970
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.20

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