



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 21ST NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling held steady against the U.S. dollar on Tuesday, getting support from an uptick in inflows from horticulture exports and diaspora remittances that helped meet increased dollar demand from merchandise importers shipping goods ahead of the festive season. In early active trading, the local currency had strengthened to hit a level of 102.30/50, before giving up those gains to settle at 102.75/95 at close of trade.

We expect the local unit to remain relatively stable against the greenback and trade in the 102.30/103.30 range in the short term as improving horticulture and remittances inflows meet increasing importer dollar demand as we approach the Christmas holidays and as high levels of liquidity in the local money market subsides.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.35	106.35	100.35	105.35
GBP/KES	127.55	135.55	128.05	135.05
EUR/KES	113.50	120.50	114.00	120.00
AED/KES	26.50	29.50	26.50	29.50

Money Market Rates	Current	Previous	Change
Interbank Rate	4.3932%	4.2152%	0.178
91-Day T-bill	7.347%	7.349%	-0.002
182-Day T-Bill	8.320%	8.302%	0.018
364-Day T-Bill	9.512%	9.520%	-0.008
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 rallied against major global currencies on Tuesday, making the largest daily percentage gain in two weeks, as a sell-off in world stock markets spurred safe-haven bids as investors worried about slowing global growth and the U.S.-Sino trade war.

The greenback has been under pressure as cautious comments by Fed officials and surprisingly weak U.S. economic data suggested the central bank could slow the pace of monetary policy tightening. With the Fed widely expected to raise interest rates by 25 basis points in December, analysts think the greenback could trade with a positive bias in the short term, despite a paring in longer-term rate hike expectations.

The euro fell from a two-week high on Tuesday spooked by a slide in European equities as nervousness about Italian banks fed through to the currency. The common currency was last down 0.8% to close at \$1.1375 off a two-week high of \$1.1475 reached earlier.

Meanwhile, the sterling pound slipped on Tuesday, dragged down by declines among risky assets and concerns about Brexit negotiations. The British pound fell 0.55% to settle at \$1.2785, near a two-week low of \$1.2725 reached last week. Growing opposition to May's draft arrangement has hit sterling hard in recent days, pulling it down nearly 3% from a Nov. 7 high of \$1.3175.

Elsewhere, oil prices tumbled more than 6% on Tuesday with Brent crude diving to its lowest level in more than a year caught in a broader Wall Street selloff fed by mounting concerns about a slowdown in global economic growth. Brent crude fell 6.4% from the previous session to settle at \$63.25 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	1.1325	1.1425
GBP/USD	1.2735	1.2835
USD/AED	3.6675	3.6785
USD/JPY	112.40	113.40

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.