



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND NOVEMBER 2018

DOMESTIC NEWS

A slight uptick in exports' and diaspora remittances' inflows helped the Kenya shilling strengthen against the greenback in active trading on Wednesday. At close of trade, the shilling stood at 102.30/50, significantly stronger than Tuesday's close of 102.75/95. The local currency also got a boost from tightening liquidity in the money market with the overnight weighted average inter-bank rate currently trading at above 4.5% from below 3% last week and as the regulator stayed out of the money market for the third day running, citing a square market after mopping KES 10.6 billion in excess liquidity on Friday.

In our view, the local unit should remain relatively stable against the U.S. dollar in the short term, as improving inflows from remittances and other primary exports meet increasing dollar demand from oil and manufacturing importers as we approach the festive season.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.90	105.90	99.90	104.90
GBP/KES	126.90	134.90	127.40	134.40
EUR/KES	113.15	120.15	113.65	119.65
AED/KES	26.40	29.40	26.40	29.40

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5354%	4.3932%	0.142
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 fell marginally against major global currencies on Wednesday as risk appetite improved with Wall Street shares recovering after a steep two-day sell-off, led by a rebound in Apple Inc and other major technology stocks.

U.S. data did not help the dollar either as new orders for key U.S.-made capital goods were unexpectedly unchanged in October. Other data on Wednesday showed the number of Americans filing applications for unemployment benefits rose to a more than four-month high last week.

The euro strengthened on Wednesday on hopes for a compromise in the row over Italy's budget, even though the E.U. rejected Rome's fiscal plans for failing to comply with euro zone rules. That did not stop the single currency from rallying to a day's high of \$1.1415, before giving up some of the gains to settle at \$1.1395.

Meanwhile, the sterling pound fell 0.2% to settle at \$1.2780 as British PM Theresa May met the E.U.'s chief executive to try to secure a blueprint for the country's post-Brexit ties with the bloc. All EU leaders are due to meet on Sunday to rubber-stamp the deal. However, May faces fierce domestic opposition to her Brexit deal, and the arithmetic is against her in a parliamentary vote she needs to win to get the agreement signed off.

Elsewhere, global oil prices dipped marginally in early trading on Thursday after U.S. crude inventories increased to their highest level since December 2017 amid concerns of an emerging global glut, although an expected supply cut by producer cartel OPEC prevented further drops. Brent crude was at \$63.20 per barrel, down 0.15% from their last close.

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	1.1345	1.1445
GBP/USD	1.2730	1.2830
USD/AED	3.6675	3.6785
USD/JPY	112.50	113.50

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