



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND NOVEMBER 2019

DOMESTIC NEWS

The home unit wavered between gains and losses in Thursday's trading session, to close the day marginally softer against the greenback. The local FX counters witnessed a slight increase in foreign currency inflows in the morning session, causing the shilling to advance to some extent against the American currency. This changed later in the session as dollar buyers sought to take advantage of the relatively lower prices, pushing the shilling to a faintly weaker close. By close of trade, the local unit stood at 101.30/50, as compared to Thursday's close of 101.25/45.

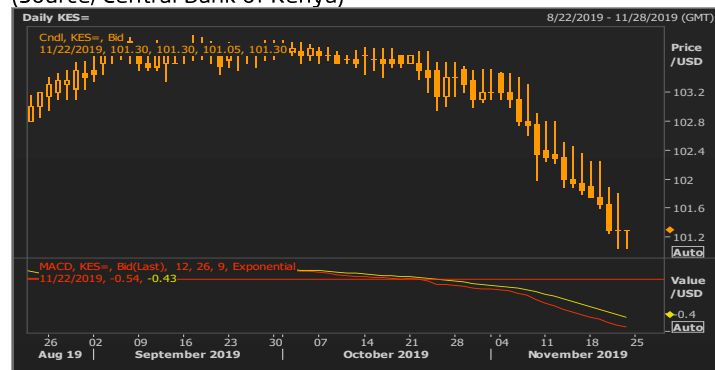
Looking ahead, we expect that the local unit is likely to trade within the latest trading range albeit with a bearish tinge as we anticipate end month activity to gradually pick up on the foreign currency demand counter. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.90	104.90	98.90	103.90
GBP/KES	126.95	134.95	127.45	134.45
EUR/KES	108.65	115.65	109.15	115.15
AED/KES	26.11	29.11	26.11	29.11

Money Market Rates	Current	Previous	Change
Interbank Rate	3.950%	3.571%	0.379
91-Day T-bill	7.131%	6.680%	0.451
182-Day T-Bill	8.215%	7.774%	0.441
364-Day T-Bill	9.804%	9.784%	0.020
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 was down to 97.760 on Thursday after the South China Morning Post reported that upcoming trade tariffs on Chinese goods are likely to be delayed, even if Washington and Beijing fail to sign a deal by Dec. 15, when they are expected to take effect. Citing sources on both sides, the South China Morning Post reported that the two countries were close to a "phase one" trade deal but were being held up by agreements on tariff removals. The paper added that even if a deal is not signed by Dec. 15, expected tariffs on electronic goods will likely be delayed. Investors have been cautious this week as it became apparent that the two superpowers are at an impasse over the trade deal.

The GBP/USD pair dropped from to \$1.2912 on Thursday, as Brexit still remains the primary constituent of domestic uncertainty and the weakening economic backdrop. The UK has now passed its third Brexit deadline, and the outcome of the upcoming election will determine whether the market can expect at least some form of resolution, as Parliament is supportive of the recently revised and negotiated withdrawal agreement.

The euro is looking undecided at \$1.1063 and may drop sharply if the new European Central Bank President Christine Lagarde sounds dovish in her first policy speech today.

The Japanese yen is currently trading almost unchanged around 108.65 amid trade uncertainty, as markets look for clarity following a mixed session overnight.

Elsewhere, global oil prices pulled back from their highest levels in nearly two months on Friday to \$63.66, amid continued overpaint over whether the United States and China will be able to reach a partial trade deal that would lift some pressure on the global economy.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Indicative Profit Rates on Deposits	
	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1005	1.1120
GBP/USD	1.2890	1.2970
USD/AED	3.6675	3.6775
USD/JPY	107.90	109.60

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