



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND OCTOBER 2019

DOMESTIC NEWS

The Kenyan shilling held stable against the greenback in lull trading on Friday, supported by hard currency inflows from offshore investors buying government debt amid easing dollar demand from importers. By close of business, the local currency stood at 103.65/85, unchanged from Friday's close. Kenya's financial markets were closed on Monday, Oct.21 due to a national holiday falling on Oct.20.

In the new week, we expect the shilling, which has weakened around 2% against the U.S. dollar on a year-to-date (YTD) basis, to remain relatively stable as dollar demand from importers remain subdued.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.25	107.25	101.25	106.25
GBP/KES	130.65	138.65	131.15	138.15
EUR/KES	112.20	119.20	112.70	118.70
AED/KES	26.75	29.75	26.75	29.75

Money Market Rates	Current	Previous	Change
Interbank Rate	7.5395%	7.5878%	-0.048
91-Day T-bill	6.362%	6.369%	-0.007
182-Day T-Bill	7.241%	7.250%	-0.009
364-Day T-Bill	9.787%	9.792%	-0.005
Inflation	3.830%	5.000%	-1.170
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar crawled further toward its worst month since January 2018 on Monday as intermittent waves of Brexit optimism pushed the pound to a 5-1/2 month high and kept the euro's bumper October intact. The greenback is down 2.1% this month against a basket of six rival currencies which, if it stays that way, would be its worst month since January 2018. The U.S. currency has also been falling against a backdrop of weaker U.S. data including disappointing retail sales which fell for the first time in seven months in September as households cut spending on vehicles, building materials, hobbies and online purchases.

The GBP/USD pair traded near a 5-1/2-month high on Monday, unmoved by House of Commons Speaker John Bercow's decision not to immediately allow a vote on the Brexit withdrawal deal as investors thought a no-deal exit from the EU would be averted. Investors have been rushing to cover short positions as the risk of a no-deal Brexit ebbed, with the most likely outcome now expected to be a three-month extension to the Oct. 31 deadline to leave the European Union. Holding on to the 6% gains chalked up since Oct. 10, the pound was at \$1.2980 after Bercow's statement, having slipped off an earlier high of \$1.3010.

The euro was 0.2% higher against the dollar at \$1.1150, having also been lifted further by Brexit optimism.

The Japanese yen also traded slightly stronger against the weakening dollar at 108.65.

Meanwhile, global oil prices fell nearly 1% on Monday after comments from a U.S. official fed concerns surrounding the U.S.-China trade war, adding to worries that a slowing global economy would reduce demand for oil. Brent crude, the international benchmark for oil prices fell 0.8%, to settle at \$58.85 a barrel.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	USD
2 Weeks	6.50%	1.50%
1 Month	7.00%	2.00%
3 Months	8.00%	2.50%
6 Months	8.50%	3.00%
1 year	9.00%	3.25%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1100	1.1200
GBP/USD	1.2930	1.3030
USD/AED	3.6675	3.6785
USD/JPY	108.15	109.15

For more details, contact our Treasury staff- Peter, Michael and Loryne 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.