



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD OCTOBER 2019

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against its American counterpart on Tuesday as an increase in hard currency inflows from remittances and offshore investors buying government debt outmatched waning demand for the dollar from the energy and manufacturing sectors. By close of trade, the local unit stood at 103.50/70 compared to Friday's close of 103.65/85. It remains to be seen whether the shilling can extend the renewed strength against the greenback. That said, we expect the current ranges to continue being flow driven as fundamentals take a back seat in the meantime.

Meanwhile, market players are awaiting parliament's decision after Kenya's president demanded lawmakers remove commercial lending rate caps. Foreign investors will be interested in the financial counters - banking stocks - which could further support the shilling.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.10	107.10	101.10	106.10
GBP/KES	129.10	137.10	129.60	136.60
EUR/KES	111.70	118.70	112.20	118.20
AED/KES	26.70	29.70	26.70	29.70

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 rose against major global currencies on Tuesday on renewed Brexit fears and on hopes the U.S. and China were making progress to resolve their trade dispute. China's Vice Foreign Minister Le Yucheng said progress was being made in discussions with the United States and that while both sides respected each other, no problem was beyond resolution.

Meanwhile, the GBP/USD pair fell after UK lawmakers rejected the government's proposed timetable for passing legislation to ratify its Brexit deal. Against the dollar, the pound was last down 0.40% to settle at \$1.2855. The pound initially rose after lawmakers voted by 329 to 299 in favour of PM Boris Johnson's Brexit plan, but then fell after lawmakers opposed Johnson's extremely tight timetable to complete the legislative process in three days by 322 to 308 votes. The vote leaves Prime Minister Boris Johnson's vow to leave the European Union by the end of the month in doubt.

The euro was down 0.2% versus the dollar to settle at \$1.1120, though it remains up 2.1% this month, driven mostly by recent Brexit developments, as well as by trade disputes between the United States and China.

The yen rose against the U.S. dollar to settle at 108.35 as some investors sought a safe haven amid doubts about Brexit and efforts to de-escalate a bruising trade war between the United States and China.

Elsewhere, global oil prices fell on Wednesday after gaining over 1% in the previous session as U.S. industry data showed a bigger-than-expected build in crude stockpiles, but the possibility of deeper output cuts from OPEC and its allies contained the decline. Brent crude futures dropped 0.5%, to settle at \$59.45 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	1.1070	1.1170
GBP/USD	1.2805	1.2905
USD/AED	3.6675	3.6785
USD/JPY	107.85	108.85

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