



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>TH</sup> DECEMBER 2019

### DOMESTIC NEWS

The shilling was the under-achiever in Monday's trading against the U.S dollar, as tenacious greenback appetite from various sectors of the economy hampered the local unit's quest for dominance. A number of interbank and corporates players were on scene roiling the market in search for decent offers on the US dollar. This saw the shilling chase the elusive dollar, to take the USDKES currency pair higher. By close of trade, the local unit stood at 100.60/80, as compared to Friday's close of 100.55/75.

In the new day, we expect the home unit's price action to be somewhat limited as most offices have been closed for the holidays. 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	97.15	104.15	98.15	103.15
GBP/KES	126.30	134.30	126.80	133.80
EUR/KES	108.10	115.10	108.60	114.60
AED/KES	25.90	28.90	25.90	28.90

Money Market Rates	Current	Previous	Change
Interbank Rate	5.510%	5.658%	-0.148
91-Day T-bill	7.177%	7.151%	0.026
182-Day T-Bill	8.125%	8.107%	0.018
364-Day T-Bill	9.789%	9.798%	-0.014
Inflation	5.560%	4.950%	0.610
CBR RATE	8.500%	9.00%	-0.500

(Source: Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index stood at 97.645 on Monday. U.S. President Donald Trump said the United States and China would "very shortly" sign phase one a trade agreement. China said on Monday it will lower tariffs on products ranging from frozen pork and avocado to some types of semiconductors next year as Beijing looks to boost imports amid a slowing economy and a trade war with the United States.

The GBP/USD pair fell to \$1.2924 on Monday. PM Johnson has been using the threat of a no-deal Brexit as a negotiating tactic in the forthcoming trade talks with the EU which has seen the price of GBP fall from 1.3514 post-UK election highs to a low of 1.2905. Despite UK data and the Bank of England, Brexit remains the main driving factor for the pound. Cable's only saving grace could be a weakness in the US dollar as attention is drawn to high-risk assets considering that a phase-one deal is due to be signed between the US and China in January.

The euro rose during the American session and printed a fresh daily high at 1.1095. Looking ahead, the immediate focus now remains on the German Bundesbank monthly economic report for fresh trading incentives.

The Japanese yen clings to 109.40 as the Tokyo opens for trading on Tuesday. The pair shrugs off the recently released minute statement of the October month meeting while focusing more on the trade/Brexit fears.

Elsewhere, global oil prices edged higher on Tuesday at \$66.44 in thin pre-Christmas trading after Russia's energy minister said cooperation with OPEC to support the market would continue and as analysts forecast a second weekly decline in U.S. crude inventories.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	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		
	Bid	Offer
EUR/USD	1.1020	1.1100
GBP/USD	1.2900	1.3010
USD/AED	3.6675	3.6775
USD/JPY	107.95	108.70

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