



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH OCTOBER 2019

DOMESTIC NEWS

The Kenyan shilling strengthened further against the U.S. dollar on Wednesday, supported by inflows from diaspora remittances and offshore investors buying government bonds amid weak importer dollar demand. By close of trade, the local unit stood a tad stronger at 103.40/60 compared to Tuesday's close of 103.50/70. In the new day, we expect the local currency to maintain its current moment and remain range bound as dollar inflows continue to guide direction in the absence of noteworthy importer dollar demand.

Meanwhile, the central bank yesterday stayed out of the REPO market citing a square market after mopping up KES 24.45 billion in excess liquidity at a weighted average of 8.128% in 7-day repo on Monday.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.00	107.00	101.00	106.00
GBP/KES	129.70	137.70	130.20	137.20
EUR/KES	111.75	118.75	112.25	118.25
AED/KES	26.68	29.68	26.68	29.68

Money Market Rates	Current	Previous	Change
Interbank Rate	7.3596%	7.5395%	-0.180
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

Foreign exchange trading was generally quiet following a sell-off in the pound on Tuesday, but both the pound and euro gained against the dollar on Wednesday. Against the dollar, the pound was last up 0.4% at \$1.2915 while the euro was up 0.15% to close at \$1.1135 before Thursday's meeting of European Central Bank policymakers, outgoing president Mario Draghi's final policy meeting.

The British pound and the euro both rose against the greenback as E.U. leaders delayed a decision on whether to grant Britain a three-month Brexit extension. Britain appears closer than ever to resolving its 3-1/2-year Brexit conundrum, after PM Boris Johnson clinched a deal with the E.U. on the terms of its exit last week and secured an early signal of support for it from the British parliament on Tuesday. But UK lawmakers rejected a three-day timetable for passing the necessary legislation, forcing Johnson to ask Brussels for an extension of the Oct. 31 deadline to ratify a deal.

EU member states delayed approval of the extension on Wednesday, but European Council President Donald Tusk said earlier on Twitter he was recommending that EU leaders back Britain's request. Johnson has said if the deadline is deferred to the end of January he would call an election by Christmas.

Meanwhile, the Japanese yen rose to 108.25, its strongest since Oct. 15, before settling at 108.55, up marginally on the day.

Elsewhere, oil prices dipped on Thursday after sharp gains in the previous session following a surprise draw in U.S. crude inventories, with concerns over a weak demand outlook adding to downward pressure. Brent crude futures fell 0.5%, to \$60.85 a barrel after rising 2.5% on Wednesday to settle at \$61.15 a barrel, levels not seen since Sept. 30.

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	1.1085	1.1185
GBP/USD	1.2865	1.2965
USD/AED	3.6675	3.6785
USD/JPY	108.05	109.05

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