



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

## TREASURY MARKET UPDATE 25<sup>TH</sup> OCTOBER 2019

### DOMESTIC NEWS

The Kenyan shilling extended its gains against the U.S. dollar for a third consecutive day on Thursday as increased foreign currency inflows from portfolio investors buying government debt outmatched subdued dollar appetite from importers, sending the local unit to a fresh two-month high against the greenback. By close of trade, the local currency stood at 103.20/40 compared to Wednesday's close of 103.40/60.

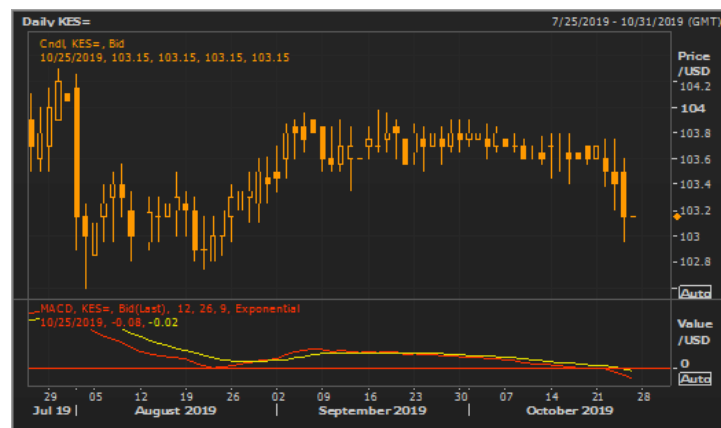
In the coming week, we expect the shilling to remain relatively stable against its American counterpart and trade in the 102.50/103.50 range, getting support from improving inflows from offshore investors and remittances which are expected to counter end-month dollar demand from importers.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.80	106.80	100.80	105.80
GBP/KES	128.65	136.65	129.15	136.15
EUR/KES	111.20	118.20	111.70	117.70
AED/KES	26.63	29.63	26.63	29.63

Money Market Rates	Current	Previous	Change
Interbank Rate	6.7578%	7.3596%	-0.602
91-Day T-bill	6.424%	6.362%	0.062
182-Day T-Bill	7.223%	7.241%	-0.018
364-Day T-Bill	9.780%	9.787%	-0.007
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 marginally against major global currencies on Thursday as the pound and euro fell due to renewed Brexit uncertainties. Focus now shifts to next week's U.S. Federal Reserve meeting ending on Oct. 30, where the Fed is expected to cut interest rates for a third time this year.

Meanwhile, the GBP/USD pair fell after PM Boris Johnson's call for an election cast yet more uncertainty over Britain's divorce from the E.U. Sentiment for sterling is likely to remain fragile ahead of a meeting on Friday where E.U. officials may decide how long they will extend Britain's deadline to leave the E.U. The pound was down 0.15% to close at \$1.2840. Opposition Labour leader Jeremy Corbyn said he would wait to see what the E.U. decides on a Brexit delay before deciding on a general election.

Despite some optimism from Mario Draghi's final news conference as president of the ECB, the euro fell against the dollar, pulled down by business surveys which point to stagnating economic momentum in the euro zone. At its policy-making meeting on Thursday, the ECB kept interest rates on hold and left its ultra-easy monetary policy unchanged. The common currency was last 0.25% weaker at \$1.110.

The Japanese yen held steady at 108.65, on course for a 0.2% weekly advance against the dollar. Focus turns to next week's Bank of Japan meeting ending Oct. 31, where the BOJ is leaning toward keeping policy on hold.

Elsewhere, oil prices declined on Friday after three straight days of gains, as gloomy economic growth forecasts renewed concerns over the outlook for demand. Brent crude was down 0.6%, at \$61.30. Having risen nearly 1% on Thursday, the global benchmark was still set for a weekly gain of more than 3%.

### 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	1.1060	1.1160
GBP/USD	1.2790	1.2890
USD/AED	3.6675	3.6785
USD/JPY	108.05	109.05

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