



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling held stable against the U.S. dollar for a second day on Friday as inflows from exports and diaspora remittances helped meet increased dollar demand from merchandise importers shipping goods ahead of the festive season. At close of trade, the local unit was at 102.40/60, same as Thursday's close. We expect the local currency, which appreciated by 0.7% against the dollar last week, to remain relatively stable in the short term, also getting support from tightening liquidity in the money market.

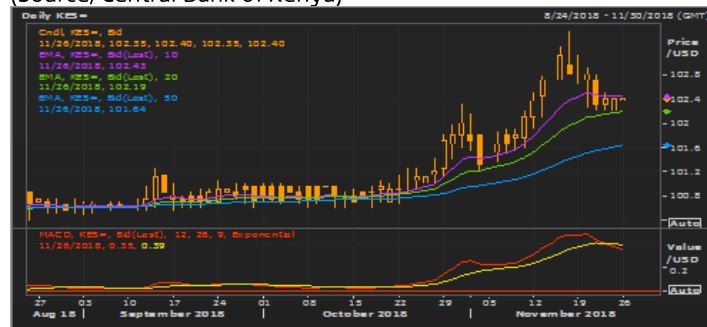
Meanwhile, The Monetary Policy Committee (MPC) is set to meet on Tuesday, 27th November 2018, on their last meeting in 2018, to review the prevailing macroeconomic conditions and decide on the direction of the Central Bank Rate (CBR). We expect the MPC to adopt a wait and see approach given the macroeconomic environment is relatively stable and hold the Central Bank Rate (CBR) at 9.0%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.00	106.00	100.00	105.00
GBP/KES	127.35	135.35	127.85	134.85
EUR/KES	112.80	119.80	113.30	119.30
AED/KES	26.40	29.40	26.40	29.40

Money Market Rates	Current	Previous	Change
Interbank Rate	5.4660%	5.1269%	0.339
91-Day T-bill	7.342%	7.347%	-0.005
182-Day T-Bill	8.245%	8.320%	-0.075
364-Day T-Bill	9.570%	9.512%	0.058
Inflation	5.53%	5.70%	-0.170
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose against major global currencies on Friday, posting its biggest weekly percentage increase in a month, as risk appetite declined, and investors sought the currency's safety following a steep drop in oil prices that suggested global growth is slowing. The dollar's near-term outlook, however, has dimmed a little bit as some of the recent U.S. economic numbers have come in weaker than expected and several Federal Reserve officials have struck a cautious tone on the economy.

The euro slumped 0.5% to settle at \$1.1345 on signs that economic growth could be slowing across the euro zone with worries about Brexit and Italy's budget negotiations also weighing on the single currency.

Meanwhile, the sterling pound held near the day's lows on Friday and is poised for a second consecutive week of losses as investors moved to the sidelines before a Sunday summit where European Union and British policymakers endorsed the Brexit deal. While the E.U. accepted the deal, the same cannot be said for UK lawmakers, as nearly every faction of Parliament has threatened to vote it down. On the day, the British currency fell 0.5% to settle at \$1.2815.

Elsewhere, oil prices fell nearly 8% on Friday, posting the seventh consecutive weekly loss, amid intensifying fears of a supply glut even as major producers consider cutting output. Oil supply, led by U.S. producers, is growing faster than demand and to prevent a build-up of unused fuel such as the one that emerged in 2015, OPEC is expected to start trimming output after a meeting on Dec. 6. On Friday, Brent crude settled 7.8% lower at \$59.50, the lowest level since October 2017.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.50%	2.00%
1 Month	7.50%	2.50%
3 Months	8.50%	2.75%
6 Months	9.00%	3.50%
1 year	9.50%	3.75%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1295	1.1395
GBP/USD	1.2765	1.2865
USD/AED	3.6675	3.6785
USD/JPY	112.75	113.75

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