



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

## TREASURY MARKET UPDATE 27<sup>TH</sup> DECEMBER 2018

### DOMESTIC NEWS

The Kenya shilling held stable against the greenback in thin Christmas eve trading on Monday as inflows from remittances met muted dollar demand from oil and manufacturing importers. At close of trade, the local currency stood at 101.75/95, same as Friday's close.

We expect the local unit, which has appreciated by 1.4% against the dollar on a year-to-date (YTD) basis, to remain under pressure against the greenback in coming days due to a surge in dollar demand from importers as they ready for end of the year orders. However, we see the shilling getting support from improving diaspora remittances and the country's high forex reserves, currently at USD 8,005 million, equivalent to 5.3 months of import cover as at 20th December 2018.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.35	105.35	99.35	104.35
GBP/KES	124.90	132.90	125.40	132.40
EUR/KES	112.40	119.40	112.90	118.90
AED/KES	26.25	29.25	26.25	29.25

Money Market Rates	Current	Previous	Change
Interbank Rate	6.6041%	6.6311%	-0.027
91-Day T-bill	7.341%	7.348%	-0.007
182-Day T-Bill	8.257%	8.240%	0.017
364-Day T-Bill	9.735%	9.591%	0.144
Inflation	5.58%	5.53%	0.050
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar gained against a basket of other currencies on Wednesday as U.S. stocks came off 20-month lows, though uncertainty relating to the U.S. government shutdown and Federal Reserve monetary policy remained a headwind for the greenback.

In a dramatic turn to lift off bear-market territory, the Dow Jones Industrial Average rocketed more than 1,000 points for the first time on Wednesday, while U.S. 10-year yields rallied around 8 basis points to end at 2.8%.

That gave the greenback some respite from weeks of pressure brought on by a sell-off in U.S. bonds on heightened concerns about slowing U.S. growth, Sino-U.S. trade tensions and more recently a partial U.S. government shutdown.

That sentiment was underscored by the modest moves in other currencies such as the euro and sterling, with slowing global growth to Brexit woes to political uncertainty in Europe and the United States checking enthusiasm. The euro fetched \$1.1380, steadying in early Asian trade after losing 0.1% on the dollar on Wednesday.

Sterling, which has been battered by Brexit woes in recent months, was firm at \$1.2655, having lost 0.4% in the previous session.

Elsewhere, global oil prices fell on Thursday after soaring 8% in the previous session, as worries over a glut in crude supply and concerns over a faltering global economy pressured prices even as a stock market surge offered support. Brent crude oil futures were down 0.15% at \$54.60 a barrel.

#### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
2 Weeks	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	1.1330	1.1430
GBP/USD	1.2605	1.2705
USD/AED	3.6675	3.6785
USD/JPY	110.65	111.65

For more details, contact our Treasury staff- Peter and Michael on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.