



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH NOVEMBER 2018

DOMESTIC NEWS

U.S. dollar inflows from offshore investors buying the Infrastructure Bond Tap sale and a surge in diaspora remittances helped the Kenyan shilling remain stable against the greenback on Monday, despite increased demand for the dollar from oil and merchandise importers looking to make purchases ahead of the festive season. At close of trade, the local unit stood at 102.40/60, same as Friday's close.

We expect the local currency to remain stable against the dollar as market focus turns to the Central Bank's Monetary Policy Committee (MPC) meeting later today for policy direction on the CBR rate. As opined yesterday, we expect the MPC to hold the CBR at 9% due to the prevailing stable macro-economic conditions.

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	112.70	119.70	113.20	119.20
AED/KES	26.40	29.40	26.40	29.40

Money Market Rates	Current	Previous	Change
Interbank Rate	5.6471%	5.4660%	0.181
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 held gains against major global currencies on Monday as fresh concerns about the Sino-U.S. trade war bolstered support for the safe-haven currency after U.S. President Trump said he expects to move ahead with raising tariffs on \$200 billion in Chinese imports to 25% from 10% currently.

Traders are also focused this week on a speech on Wednesday by Fed Chairman Jerome Powell and minutes from the Fed's Nov. 7-8 meeting to be released on Thursday, for further cues of how many more times the Fed is likely to hike interest rates.

Meanwhile, the euro weakened marginally against the greenback to settle at \$1.1335, giving up earlier gains, after European Central Bank President Mario Draghi acknowledged slowing growth in the region. The euro zone has lost some growth momentum, but this was mostly normal and not enough to derail plans by the bank to dial back stimulus further.

The sterling pound held steady at \$1.2815 on Monday after Britain sealed a deal with the E.U. on quitting the bloc, with the currency's gains curbed by doubts about whether Prime Minister Theresa May can get the agreement through a divided parliament. Traders are now focused on a parliamentary vote on the deal likely to take place in mid-December.

Elsewhere, global oil prices rose nearly 3% on Monday, clawing back some of last week's steep losses, but gains were capped by uncertainty over global economic growth and further signs of increasing supply, including record Saudi production. Brent crude rose \$1.65 to settle at \$60.45 a barrel, a 2.9% gain from the previous session.

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	1.1285	1.1385
GBP/USD	1.2765	1.2865
USD/AED	3.6675	3.6785
USD/JPY	113.00	114.00

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