



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 28TH DECEMBER 2018

DOMESTIC NEWS

Lackluster demand for the greenback from oil and manufacturing importers helped the Kenya shilling to remain stable against the U.S. dollar on Thursday, amid healthy inflows from diaspora remittances during the Christmas festive season. At close of trade, the local unit traded at 101.70/90, little changed from Monday's close of 101.75/95.

We expect the shilling to remain relatively stable against the greenback and trade in the 101.50/102.50 range in the short term as inflows from diaspora remittances meet end of year dollar demand from importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.30	105.30	99.30	104.30
GBP/KES	124.90	132.90	125.40	132.40
EUR/KES	113.10	120.10	113.60	119.60
AED/KES	26.20	29.20	26.20	29.20

Money Market Rates	Current	Previous	Change
Interbank Rate	6.6041%	6.6041%	0.000
91-Day T-bill	7.342%	7.341%	0.001
182-Day T-Bill	9.002%	8.257%	0.745
364-Day T-Bill	9.952%	9.735%	0.217
Inflation	5.58%	5.53%	0.050
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

Major global currencies advanced against a weaker dollar on Thursday, as a slump in U.S. consumer confidence revived worries about a slowdown in the world's largest economy. A measure of U.S. consumer confidence posted its sharpest decline in more than three years in December.

Last week, the Fed raised rates for the fourth time this year, but interest rate futures show traders are skeptical the central bank will raise rates at all next year. The gloomy data points to a further loss of economic momentum as a trade dispute with the United States puts pressure on China. Reuters reported on Thursday that the Trump administration was considering an executive order in the new year to declare a national emergency that would bar U.S. companies from using Huawei and ZTE products.

The euro gained 0.6% against the dollar to settle at \$1.1450. However, the single currency has struggled this year due to weak euro zone data, low inflation and political risks. That has led to the European Central Bank maintaining ultra-low interest rates. The euro is on track for a loss of 4.5% versus the greenback this year.

Meanwhile, the sterling pound held above a three-day low on Thursday as investors remained sidelined awaiting another round of Brexit developments, as a broadly weaker dollar offered some support to the struggling British currency. The pound was broadly steady at \$1.2660 after climbing as much as 0.2% in early trading.

Elsewhere, global oil prices fell on Thursday, retreating from an 8% rally in the previous session as the oil market focused on signs of faltering global economic growth and record production of crude. Brent crude futures dropped over 3% on the day to settle at \$53.05 a barrel.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million KES	Amounts >100,000 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	1.1400	1.1500
GBP/USD	1.2610	1.2710
USD/AED	3.6675	3.6785
USD/JPY	110.20	111.20

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.