



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29TH NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling held relatively stable against the U.S. dollar on Wednesday, despite coming under pressure from merchandise importers buying dollars to meet end month obligations ahead of the holiday season. At close of trade, the local unit traded at 102.50/70, little changed from Tuesday's close of 102.60/80.

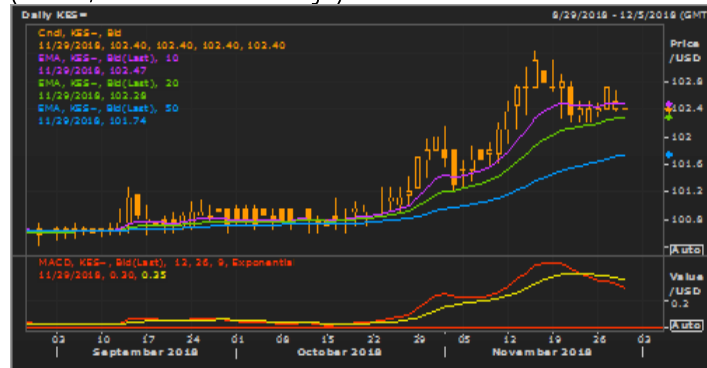
The shilling also got some support from Kenya's central bank governor's comments on the true value of the local currency as he dismissed a recent report by the International Monetary Fund (IMF) that the shilling was overvalued by 17.5%, citing the current account deficit, which it said was not in step with other economic fundamentals. Patrick Njoroge said the foreign exchange rate reflected the shilling's true value and the central bank does not seek to control it, adding that the IMF had used an inappropriate method to assess the shilling's worth.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.10	106.10	100.10	105.10
GBP/KES	127.80	135.80	128.30	135.30
EUR/KES	113.30	120.30	113.80	119.80
AED/KES	26.45	29.45	26.45	29.45

Money Market Rates	Current	Previous	Change
Interbank Rate	5.7928%	5.7225%	0.070
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 tumbled from two-week highs on Wednesday after Fed Chairman Jerome Powell said that interest rates are just below neutral, raising expectations that the U.S. central bank is closer to the end of its rate hike cycle. That contrasted his comments on Oct. 3 when he said the Fed might raise rates past neutral, adding that they were probably a long way from that point.

Minutes from the Fed's Nov. 7-8 meeting, to be released on Thursday, will next be evaluated for further indications of how many more times the fed is likely to hike interest rates.

The euro rose 0.75% against the weakening greenback to settle at \$1.1380. Before the rise, the euro had lost 1.5% of its value in recent sessions on signs the euro zone economy is weakening and on tension between the E.U. and Italy over Rome's budget.

Meanwhile, the pound climbed off two-week lows helped by comments from opposition Labour finance spokesman that he could accept a second Brexit referendum to head off the risk of crashing out of the E.U. without a deal. PM Theresa May is struggling to garner support from parliament for the agreement she sealed with E.U. leaders on Sunday. On the day, the pound was up 0.75% to settle at \$1.2840.

Elsewhere, oil prices fell about 2.5% after U.S. crude inventories rose for the 10th straight week to the highest in a year, adding to worries about a worldwide supply glut. Selling picked up just prior to the market's settlement, extending a sell-off that has cut prices by more than 30% since the beginning of October. Brent crude ended 2.4% lower at \$59.15 a barrel.

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	1.1330	1.1430
GBP/USD	1.2790	1.2890
USD/AED	3.6675	3.6785
USD/JPY	112.80	113.80

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