



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

## TREASURY MARKET UPDATE 29<sup>TH</sup> NOVEMBER 2019

### DOMESTIC NEWS

The Kenya Shilling continued its losing streak in Thursday's trading session, extending its losses against the U.S. dollar. A surge of foreign currency demand overwhelmed the market throughout the day, overriding weak supply from corporates to prop the greenback on account of end-month dollar demand. Our near-term outlook for the home unit versus the U.S. dollar is bearish owing to dwindling inflows as activity continues to clunk up on the demand counter. By close of trade, the local unit stood at 102.75/95, as compared to Wednesday's close of 102.45/65.

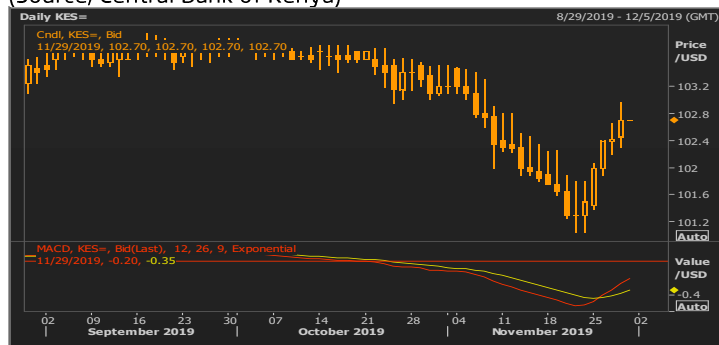
In the new day, we are likely to see the local unit cede more ground against the dollar if persistent dollar demand continues to typify the local currency market, posing a threat to the shilling's recovery. That said, competing players will be keen scouring for fresh market moving factors. In other news, the monetary authority mopped up KES 10 Billion in excess liquidity at a weighted average rate of 8.114% in the 7-day repo.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.25	106.25	100.25	105.25
GBP/KES	128.70	136.70	129.15	136.15
EUR/KES	109.65	116.65	110.15	116.15
AED/KES	26.47	29.47	26.47	29.47

Money Market Rates	Current	Previous	Change
Interbank Rate	5.053%	4.857%	0.196
91-Day T-bill	7.162%	7.131%	0.031
182-Day T-Bill	8.204%	8.215%	-0.011
364-Day T-Bill	9.800%	9.804%	-0.004
Inflation	4.950%	3.830%	1.120
CBR RATE	8.500%	9.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index was up at 98.50 on Thursday as the US-China trade continues to be the exclusive driver of the sentiment in the global markets despite the noticeable lack of fresh news and the tiresome rhetoric regarding how close a deal (or a 'Phase One' deal) is. Despite markets remaining optimistic regarding an imminent deal, some doubts emerged as of late after President Trump signed the Hong Kong Human Rights Bill, which increased the effervescence in the Chinese side. Further support for the buck came in after advanced Q3 GDP figures, headline PCE and Durable Goods Orders surprised markets to the upside, also motivating US yields rebound, lifting stocks to fresh record highs. U.S. markets were closed due to Thanksgiving Day holiday.

The GBP/USD pair climbed to 1.2910 on Thursday after it was reported that the UK business confidence has recovered to its highest levels since January because of growing optimism about the outlook for the economy and the prospect of Brexit clarity after the general election. Looking ahead markets will be concerned about agreements between the UK and EU.

The euro is on track to end November on a negative note as it eyed the 1.10 handle on Thursday. The single currency will likely take a beating today if the German jobs data disappoints expectations. Germany is already facing downward pressure from the external sector. If the labor market cools sharply, the consumers will likely tighten their purse strings.

The Japanese yen is currently trading at 109.46 early Friday. Bank of Japan's Governor Kuroda was out on the wires a few minutes before press time calling for structural reforms.

Elsewhere, global oil prices slipped on Friday to \$62.98 but is set for a weekly gain ahead of a key OPEC meeting next week.

### Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	1.25%
1 Month	7.00%	1.75%
3 Months	8.00%	2.00%
6 Months	8.50%	2.25%
1 year	9.00%	2.50%

### Indicative Cross Rates

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.0985	1.1130
GBP/USD	1.2860	1.2990
USD/AED	3.6675	3.6775
USD/JPY	108.70	109.95

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