



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH NOVEMBER 2018

DOMESTIC NEWS

U.S. dollar inflows from exports, remittances and portfolio investors buying government debt helped the Kenya shilling to hold relatively stable against the greenback on Thursday, despite increased end month dollar demand from oil and merchandise importers ahead of the festive season. At close of trade, the local currency stood at 102.45/65, compared to 102.50/70 at the opening of trade.

We expect the local unit to remain under some pressure from increasing importer demand as we approach the December holidays. However, we expect the shilling to receive support from improving diaspora remittances and from CBK's Open Market Operations, including mopping excess liquidity in the local money market.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.05	106.05	100.05	105.05
GBP/KES	127.05	135.05	127.55	134.55
EUR/KES	113.35	120.35	113.85	119.85
AED/KES	26.45	29.45	26.45	29.45

Money Market Rates	Current	Previous	Change
Interbank Rate	6.2334%	5.7928%	0.441
91-Day T-bill	7.342%	7.342%	0.000
182-Day T-Bill	8.242%	8.245%	-0.003
364-Day T-Bill	9.564%	9.570%	-0.006
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 greenback recovered modestly against its rivals on Thursday as caution before the G20 meeting prompted investors to buy back the currency after comments by the Fed chief were seen as a sign that a rising trend in U.S. rates may be ending. The G20 summit on Friday and Saturday is shaping up as a key event for markets given that U.S. President Trump and Chinese President Xi Jinping are scheduled to discuss contentious trade matters after months of tensions between the world's two biggest economies.

Minutes from the Fed's Nov. 7-8 meeting on Thursday showed that almost all Fed officials at their last meeting agreed another interest rate increase was likely to be warranted soon, but also opened debate on when to pause further hikes.

The euro held steady at \$1.1390 after rising in the last two sessions as the dollar wobbled on Fed Chairman Jerome Powell's comments on Wednesday.

Meanwhile, the sterling pound fell towards a two-week low of \$1.2780 on Thursday amid growing concerns about the UK parliament's vote on Brexit and after the Bank of England warned of risks to the currency if Britain leaves the E.U. in a disorderly manner. Parliament is due to vote on the deal on Dec. 11.

Elsewhere, oil prices firmed on expectations that OPEC and Russia will agree to production cuts next week, although swelling U.S. supplies kept markets in check. Brent crude closed at \$59.65 per barrel, up 0.5% from their last close. Despite the firmer prices, crude oil has lost almost a third in value since early October because of an emerging supply glut following a global surge in production.

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	1.1340	1.1440
GBP/USD	1.2730	1.2830
USD/AED	3.6675	3.6785
USD/JPY	112.90	113.90

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