



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH OCTOBER 2019

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the U.S. dollar on Tuesday, helped by inflows from horticulture exports and non-governmental organizations amid weak end-month dollar demand from merchandise importers and the energy sector. By close of trade, the local was a tad higher at 103.30/50 compared to Monday's close of 103.45/65. We expect the shilling to remain relatively stable as healthy dollar inflows meet subdued end-month importer dollar demand.

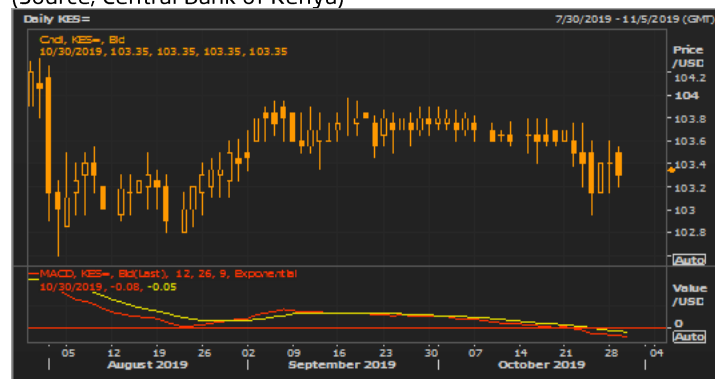
Meanwhile, the finance committee of Kenya's parliament has recommended that the house should repeal a cap on commercial lending rates in line with the president's demands. However, the team proposed that existing loans be shielded from any increases in rates even after the cap is repealed. Parliament will vote on whether to accept the finance committee's recommendations, setting the stage for the removal of the cap, which was imposed in 2016.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.90	106.90	100.90	105.90
GBP/KES	129.00	137.00	129.50	136.50
EUR/KES	111.35	118.35	111.85	117.85
AED/KES	26.65	29.65	26.65	29.65

Money Market Rates	Current	Previous	Change
Interbank Rate	6.512%	6.531%	-0.019
91-Day T-bill	6.424%	6.362%	0.062
182-Day T-Bill	7.223%	7.241%	-0.018
364-Day T-Bill	9.780%	9.787%	-0.007
Inflation	3.830%	5.000%	-1.170
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar dipped marginally against major global currencies on Tuesday, a day before the Federal Reserve is expected to cut U.S. interest rates, as increasing optimism that Britain will reach a deal to avoid a disorderly exit from the European Union supported the pound and the euro. Investors will keenly watch the conclusion of the U.S. central bank's two-day meeting ending on Wednesday and the dollar is expected to gain if the Fed indicates reluctance to cut rates more.

The GBP/USD pair was up 0.1% to settle at \$1.2860 against the greenback as Britain looked set for a snap December election. The pound has gained more than 5% over the last three weeks against the U.S. dollar, and stocks rallied after European policymakers agreed on a third Brexit extension until Jan. 31. On Tuesday, in a rare parliamentary success for PM Boris Johnson after a string of defeats, British lawmakers approved the government's timetable for passing a law which calls for an early general election on Dec. 12. The bill now goes for approval to the House of Lords.

The euro was a tad higher to settle at \$1.1110 against the greenback.

The Japanese yen weakened against greenback to close at 108.85, marginally below a three-month high of 109.00 hit on Monday.

Elsewhere, global oil prices fell in early trading on Wednesday as a possible delay in resolving the U.S.-China trade war overshadowed a drop in U.S. crude inventories. Brent crude was down 0.3% at \$61.40 a barrel after gaining 2 cents on Tuesday.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	1.50%
1 Month	7.00%	2.00%
3 Months	8.00%	2.50%
6 Months	8.50%	3.00%
1 year	9.00%	3.25%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1060	1.1160
GBP/USD	1.2810	1.2910
USD/AED	3.6675	3.6785
USD/JPY	108.35	109.35

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