



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4TH DECEMBER 2019

DOMESTIC NEWS

The home unit commanded the spotlight in yesterday's trading against the U.S. dollar as odds were in its favour. Tuesday's session saw a hive of activity as both counters flexed their muscles from the onset. It was however the home unit that had the upper hand, as interbank players peddled their surplus dollar holdings which was no match for the existing market appetite. Corporate dollar sellers joined in the frenzy as well, condemning the greenback while culminating the local currency in a strong finish. With dollar demand out of the way, the shillings' party is set to prevail in the coming days. By close of trade, the local unit stood at 102.10/30, as compared to Monday's close of 102.60/80.

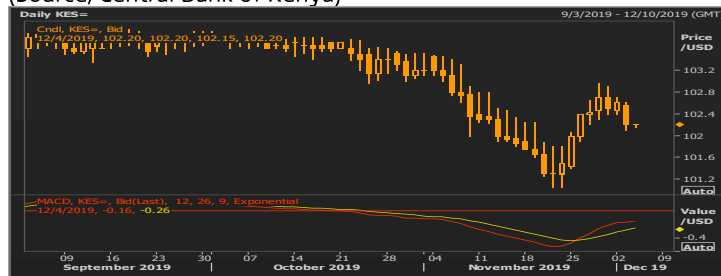
In the new day, the outlook for the domestic currency seems promising in the interim as market players continue to offload the greenback in favour of the home unit, with demand remaining relatively mute. Market chatter alludes to further appreciation of the domestic unit if recent increased activity on the supply counter persists. On the flip side, dollar buyers might come in to nip the buck at these lucrative levels.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.75	105.75	99.75	104.75
GBP/KES	128.85	136.85	129.35	136.35
EUR/KES	109.75	116.75	110.25	116.25
AED/KES	26.34	29.34	26.34	29.34

Money Market Rates	Current	Previous	Change
Interbank Rate	6.180%	5.969%	0.210
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	5.560%	4.950%	0.610
CBR RATE	8.500%	9.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was lower on Tuesday at 97.680 after comments from U.S. President Donald Trump sparked a flight to safer assets. Trump told reporters in London that a trade deal may need to wait until after the 2020 election, which is a stark contrast to reports over the last two weeks. He later said at a press conference with Canadian Prime Minister Justin Trudeau that China wants to make a deal. On the other hand, the Chinese side keeps the head high while contributing to dragging the market's risk tone. The U.S. is expected to go through with tariff increases against China on Dec. 15, which could spark more disagreements between the two superpowers.

The GBP/USD pair rose to \$1.2980 on Tuesday after opinion polls showed UK Prime Minister Boris Johnson in the lead to win December's election, which would secure a Brexit deal. Traders are now gearing up for the key United Kingdom data that contributes majorly to the GDP.

The euro dropped to \$1.1074 on Tuesday due to trade complications. President Trump on Tuesday said that he may delay a trade deal with China till after the 2020 elections.

The Japanese yen drops to 108.50 during early Wednesday. Market players largely ignored news that quotes the Prime Minister (PM) Shinzo Abe. The Japanese PM said that the government is in the final stages of announcing a big stimulus package.

Elsewhere, global oil prices rose to \$61.17 per barrel on Wednesday ahead of a meeting of OPEC and its allies to discuss whether to extend production curbs to support the market, while industry data showing that U.S. crude stockpiles fell more than expected helped to lift prices.

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		
	Bid	Offer
EUR/USD	1.1005	1.1180
GBP/USD	1.2910	1.3020
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.30

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