



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

## TREASURY MARKET UPDATE 4<sup>TH</sup> NOVEMBER 2019

### DOMESTIC NEWS

The Kenyan shilling was stable against the U.S. dollar for a second day running on Friday as healthy dollar inflows from foreign portfolio investors and horticulture exports continued to meet muted dollar demand from importers. By close of trade, the local currency stood at 103.20/40, same as Thursday's close. We expect the shilling to continue trading in a tight range in the short term as importer dollar demand remains subdued.

Meanwhile, Kenya has revised up its expected 2019/2020 fiscal deficit for the second time in a matter of weeks as the government tries to cut spending amid a struggle to raise revenue. The finance ministry will now target a deficit of 6.2% of GDP for the current fiscal year compared with a forecast of 5.9% in September. In its 2.8 trillion shilling (\$27.14 billion) budget in June, the government had set a target to bring the deficit down to 5.6% of GDP from 7.7% in 2018/19.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.80	106.80	100.80	105.80
GBP/KES	129.65	137.65	130.15	137.15
EUR/KES	111.85	118.85	112.35	118.35
AED/KES	26.62	29.62	26.62	29.62

Money Market Rates	Current	Previous	Change
Interbank Rate	6.132%	6.278%	-0.146
91-Day T-bill	6.390%	6.424%	-0.034
182-Day T-Bill	7.189%	7.223%	-0.034
364-Day T-Bill	9.780%	9.780%	0.000
Inflation	4.950%	3.830%	1.120
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar dropped marginally on Friday after data showed a mixed view on the economy, and as optimism that the U.S. and China will reach a deal to end their trade war reduced safe-haven demand for the greenback. The dollar initially gained after U.S. jobs growth slowed less than expected in October. Nonfarm payrolls increased by 128,000 jobs last month, while average hourly earnings increased 0.2% after being unchanged in September. The U.S. currency was unable to hold onto the gains, however, and was further dented after the Institute for Supply Management (ISM) said the manufacturing sector contracted for the third consecutive month in October.

The GBP/USD pair edged slightly lower against the dollar on Friday but was poised to end the week on a stronger note, unmoved by Nigel Farage's announcement that his Brexit Party would fight the ruling Conservatives for every seat if Britain's prime minister does not abandon his Brexit deal. The pound edged 0.1% lower at \$1.2935 despite a broad weakness in the greenback but was poised to register a 0.9% gain for the week.

Meanwhile, the euro held its gains against the dollar at \$1.1165 on Friday as investors sold the U.S. currency, expecting the United States will soon join the global economic slowdown.

The Japanese yen was little changed at 108.20 against the greenback.

Elsewhere, oil prices rose nearly 4% on Friday on signs of progress in U.S.-China trade talks and stronger-than-expected economic data in both countries, including U.S. employment and Chinese manufacturing activity numbers. Brent crude ended the session up 3.5%, at \$61.35 a barrel, but notched a drop of about 0.4% for the week.

### 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	1.1115	1.1215
GBP/USD	1.2885	1.2985
USD/AED	3.6675	3.6785
USD/JPY	107.70	108.70

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