



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH DECEMBER 2019

DOMESTIC NEWS

The shilling gained ground against the greenback during the Thursday session, as demand for the buck dissipated. The local currency's upbeat momentum remained sound for most of the session underpinned by the intensifying sentiments favoring the local unit resulting to dollar selloff by interbank and corporate players. Heavy demand has been absent so far this week with major buyers still assessing their needs for the month. By close of trade, the local unit stood at 101.55/75, as compared to Wednesday's close of 101.90/10.

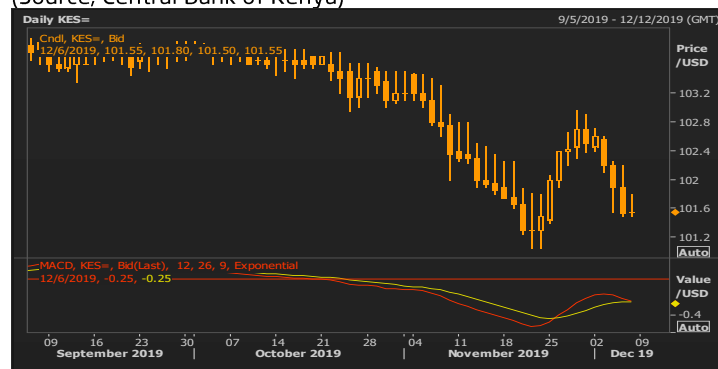
In the new day, we see home unit in a holding pattern against the greenback, though players remain keen on any new fundamental factors to guide on the price direction of the local currency. We however don't rule out a weaker shilling as importers are likely to hit the market to take advantage of attractive rates.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.15	105.15	99.15	104.15
GBP/KES	129.70	137.70	130.25	137.25
EUR/KES	109.40	116.40	109.95	115.95
AED/KES	26.17	29.17	26.17	29.17

Money Market Rates	Current	Previous	Change
Interbank Rate	6.517%	6.382%	0.135
91-Day T-bill	7.162%	7.162%	0.000
182-Day T-Bill	8.201%	8.204%	-0.003
364-Day T-Bill	9.803%	9.800%	0.003
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 fell on Thursday to 97.458, as mixed trade signals kept investors at bay. Earlier in the day, China reiterated its expectations that tariffs should be lifted as part of a phase-one deal, after reports that U.S. officials expect a deal before the latest round of American tariffs takes effect on Dec. 15. Trump's upbeat tone in comments on Thursday was enough to spark buying, despite a lack of agreement between Washington and Beijing over whether existing tariffs should be dropped as part of a preliminary deal to end their trade war. Investors were hoping that the two sides will reach a compromise to at least avoid the US going ahead with its final batch of tariffs on about \$156 billion of Chinese exports.

The GBP/USD pair rose to \$1.3129 on Thursday, due to confidence that the Conservative Party will win the general election on Dec. 12 majority it needs to deliver Brexit, ending near-term uncertainty. UK Halifax House Prices due out today may entertain the traders.

The euro was up to \$1.1092 on Thursday, despite a fresh drop in German factory orders earlier in the day that point to another weak quarter for the euro zone's largest economy.

The Japanese yen is currently trading at 108.64 early Friday morning as positive trade deal headlines flowed through the news wires and helped US stocks eke out further gains.

Elsewhere, global oil prices edged up to \$63.40 on Friday, with U.S. crude trading near a two-month high after OPEC agreed to increase output curbs by nearly 50 percent in early 2020, although the cartel stopped short of promising any further steps after March.

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

	Bid	Offer
EUR/USD	1.1090	1.1195
GBP/USD	1.3085	1.3190
USD/AED	3.6675	3.6775
USD/JPY	108.05	109.50

For more details, contact our Treasury staff- Michael, Loryne and Evelyn on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.