



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH NOVEMBER 2018

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar in active trading on Tuesday, coming under pressure from high liquidity levels in the local money market, which makes it easier for banks to hold long dollar positions. At close of trade, the local currency stood at 101.75/95, a tad weaker than Monday's close of 101.45/65.

We expect the local unit to remain under some pressure in the short term from the high liquidity levels, but we see it getting support from hard currency inflows from offshore investors buying government debt and from CBK'S Open Market Operations, which saw the regulator mop KES 10 billion in excess liquidity from the money market using repurchase agreements (REPO) on Tuesday.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.35	105.35	99.35	104.35
GBP/KES	129.75	137.75	130.25	137.25
EUR/KES	113.25	120.25	113.75	119.75
AED/KES	26.25	29.25	26.25	29.25

Money Market Rates	Current	Previous	Change
Interbank Rate	2.8922%	3.0925%	-0.200
91-Day T-bill	7.387%	7.494%	-0.107
182-Day T-Bill	8.317%	8.386%	-0.069
364-Day T-Bill	9.519%	9.524%	-0.005
Inflation	5.53%	5.07%	-0.170
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar was down against major global currencies on Tuesday on investor caution as markets awaited U.S. midterm election results for implications on Washington's broader economic and political agenda. The dollar index, a measure of the greenback against a basket of its six major rivals, fell 0.2% to hit a two-week low of 95.95.

Early indications in the mid-term elections showed the Democrats taking control of the U.S. House of Representatives, giving them the opportunity to block Trump's agenda and open his administration to intense scrutiny as the Republicans were expected to retain control of the senate.

The euro gained 0.3% on the back of the weaker dollar to hit a two-week high of \$1.1465. The single currency changed hands about 1.4% above this year's trough of \$1.1300 reached on Aug. 15.

Meanwhile, the sterling pound erased earlier losses and headed back towards the day's highs in volatile trading on Tuesday as the dollar weakened and on growing hopes of a Brexit deal breakthrough after a cabinet meeting. Hopes have grown of a deal covering Britain's exit from the European Union, fueling a 3% rally in the British pound over the last week. On the day, the currency was up 0.6% from the previous session to close at \$1.3130

Elsewhere, oil prices fell in early trading on Wednesday to extend losses from the previous session, with markets well supplied amid rising production and U.S. sanction waivers that allow Iran's biggest customers to continue buying its crude. International benchmark Brent was down almost 1% to settle at \$72.00 a barrel.

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	1.1415	1.1515
GBP/USD	1.3080	1.3180
USD/AED	3.6675	3.6785
USD/JPY	112.70	113.70

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