



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH NOVEMBER 2019

DOMESTIC NEWS

The Kenyan shilling strengthened further against the greenback on Wednesday, on the back of healthy dollar inflows from offshore investors buying banking stocks after parliament removed a cap on commercial lending rates. By close of trade, the local currency stood at 102.80/103.00 compared to Tuesday's close of 103.10/30. We see the home unit trading within the recently established ranges, albeit with a bullish bias in the near term amid muted dollar demand from importers.

Kenya's private sector activity grew at a slower pace in October after accelerating for five straight months, partly hurt by cash flow constraints among firms. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services eased to 53.2 from 54.1 in September. Any reading above 50 indicates growth. Companies say the government is taking years to settle bills for goods and services supplied to it, mainly due to widespread corruption.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.40	106.40	100.40	105.40
GBP/KES	128.15	136.15	128.65	135.65
EUR/KES	110.30	117.30	110.80	116.80
AED/KES	26.50	29.50	26.50	29.50

Money Market Rates	Current	Previous	Change
Interbank Rate	4.814%	5.439%	-0.625
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 dollar inched lower against some major global currencies on Thursday as lingering doubts about when the U.S and China will sign a preliminary trade deal discouraged traders from taking big positions. The dollar was caught off-guard on Wednesday after a senior official in U.S. President Donald Trump's administration told Reuters the signing of a so-called "phase one" trade deal could be delayed until December. Trump had previously indicated an agreement could be signed this month.

The GBP/USD pair traded near a one-week low of \$1.2840 before a Bank of England meeting on Thursday. No change in policy is expected, but investors are focused on how the BoE will respond to uncertainties posed by Britain's fraught exit from the European Union. Markets are also awaiting results of a general election on Dec. 12, which will determine whether the ruling Conservative Party can capture a majority in Parliament and conclude Brexit by the Jan. 31 deadline.

The euro was quoted at \$1.1060, little changed from Tuesday's close of \$1.1070. Data due later on Thursday are forecast to show German industrial output fell 0.4% in September after a 0.3% increase in the previous month.

The Japanese yen was up 0.2% against the dollar to settle at 108.70 on Wednesday as some trade deal uncertainty crept back into the market.

Meanwhile, global oil prices dropped more than \$1 a barrel on Wednesday after a much larger-than-expected build in U.S. crude inventories and after Reuters reported that the signing of a U.S.-China trade deal could be delayed until December. Brent crude settled at \$61.70 a barrel, losing \$1.22 cents or 1.9% on the day.

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	1.1010	1.1110
GBP/USD	1.2790	1.2890
USD/AED	3.6675	3.6785
USD/JPY	108.20	109.20

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