



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH OCTOBER 2019

DOMESTIC NEWS

The home unit seasawed between gains and losses in early trading as demand and supply forces battled to take forefront. A slight uptick in dollar demand propelled the USD/KES pair to march north, forcing the local unit to close the day marginally weaker. By the closing bell, the local unit stood at 103.75/95, as compared to Thursday's close of 103.70/90.

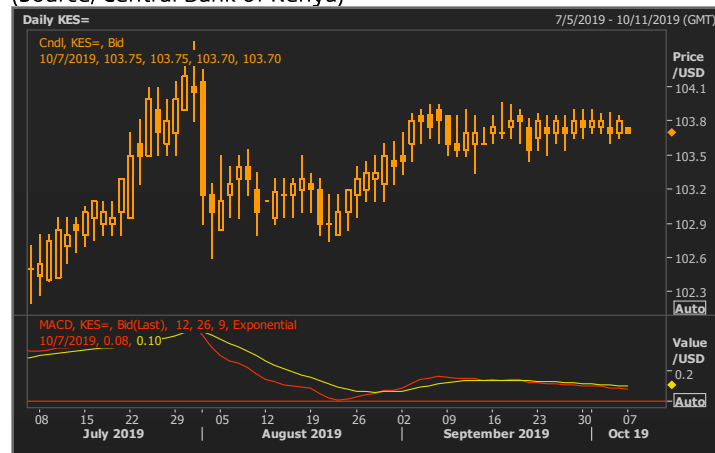
In the new week we expect the home unit's price action to be somewhat limited. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim. In other news, the monetary authority mopped up KES 10 Billion in excess liquidity at a weighted average rate of 8.878% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.35	107.35	101.35	106.35
GBP/KES	124.00	132.00	124.50	131.50
EUR/KES	110.50	117.50	111.00	117.00
AED/KES	26.77	29.77	26.77	29.77

Money Market Rates	Current	Previous	Change
Interbank Rate	7.349%	7.407%	-0.058
91-Day T-bill	6.378%	6.307%	-0.071
182-Day T-Bill	7.200%	7.175%	0.025
364-Day T-Bill	9.798%	9.777%	0.021
Inflation	3.830%	5.000%	-1.170
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar settled into a tight range early Friday at 98.475 ahead of the all-important monthly employment report, at the end of a week in which the economic data has suggested the clear slowdown in the global economy isn't sparing the U.S. But a fragile optimism emerged that evidence showing the trade war has dented the world's top economy may spur U.S. President Donald Trump toward a more conciliatory stance over the dispute with China as campaigning for next year's election ramps up. Talks between Beijing and Washington resume this week, aimed at agreeing a truce over the protracted trade spat between the world's two largest economies, although hopes of a definitive agreement are pretty low.

The GBP/USD pair settled at 1.2334. The British pound stabilized somewhat after the EU gave the U.K. a week to improve its proposals for tweaking the withdrawal agreement that is supposed to guarantee a smooth Brexit at the end of the month. Britain's Brexit minister said the UK is open to some flexibility on the proposed mechanism.

The euro remains holding onto small gains at 1.0978, in a relatively narrow band on Friday despite the high-tier macroeconomic data releases from the U.S.

The Japanese yen gained slightly at 106.55 in early Asian trade on Monday on a media report that China wants the scope of this week's trade talks and any deal with the U.S. to be narrow.

Elsewhere, global oil prices fell on Monday to \$58.09, extending last week's heavy losses, with traders fearing the global economic slowdown will weigh on future oil demand growth while pegging hopes for a rebound on progress in talks this week on ending the U.S.-China trade war.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Indicative Profit Rates on Deposits	
	KES	USD
2 Weeks	6.50%	2.00%
1 Month	7.00%	2.50%
3 Months	8.00%	2.75%
6 Months	8.50%	3.50%
1 year	9.00%	3.75%

Indicative Cross Rates

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.0900	1.1005
GBP/USD	1.2205	1.2310
USD/AED	3.6675	3.6775
USD/JPY	106.10	107.80

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