



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH NOVEMBER 2018

DOMESTIC NEWS

The Kenya shilling held stable against the U.S. dollar for a second day running on Thursday as inflows from offshore investors and diaspora remittances met thin dollar demand from oil and manufacturing importers. At close of trade, the local unit stood at 101.75/95, little changed from Wednesday's close of 101.65/85.

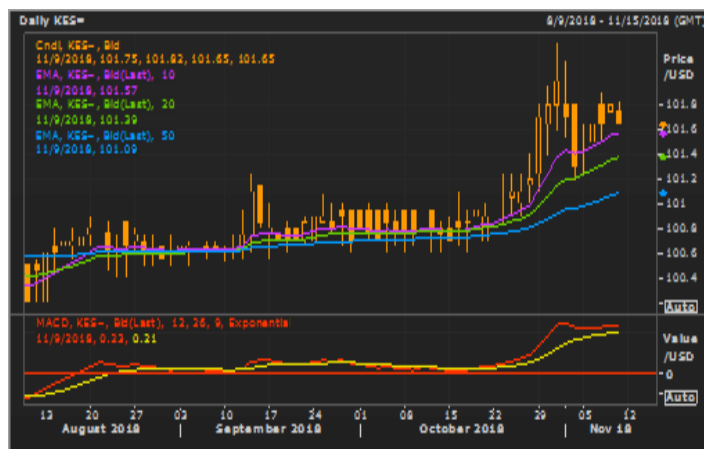
We expect the local currency to remain relatively stable against the greenback in the coming week, getting support from improving diaspora remittances and from the country's main exports of tea, coffee and horticultural exports as demand for the dollar from importers remains subdued.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.35	105.35	99.35	104.35
GBP/KES	128.85	136.85	129.35	136.35
EUR/KES	112.05	119.05	112.55	118.55
AED/KES	26.25	29.25	26.25	29.25

Money Market Rates	Current	Previous	Change
Interbank Rate	3.2269%	3.0350%	0.192
91-Day T-bill	7.349%	7.387%	-0.038
182-Day T-Bill	8.302%	8.317%	-0.015
364-Day T-Bill	9.520%	9.519%	0.001
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 strengthened significantly against major global currencies on Thursday, with the dollar index gaining 0.6% to close at 96.80 from the previous session after the Federal Reserve held rates steady as was widely expected and said strong jobs and spending have kept the economy on track, setting up for a rate hike in December.

The central bank's statement reflected little change in its outlook for the economy since the last policy meeting in September, with inflation remaining near its 2% target, unemployment falling and risks to the economic outlook appearing to be roughly balanced.

The euro fell against the rallying greenback after the European Commission cut its forecasts for Italian growth, adding to investor concerns about the euro-zone's third-largest member's debts and economic outlook. The announcement sent the euro, which was up marginally on the day, into negative territory. It last traded 0.7% lower at \$1.1340.

Meanwhile, the sterling pound gave up gains after a three-day rally, as a dollar rebound and hopes of an imminent Brexit deal prompted investors to take profits. While the pound has benefited this week from signs Britain is closing in on a deal with the E.U, market analysts said the currency was ripe for profit-taking. On the day, it was 0.5% lower to close at \$1.3045 against the dollar.

Elsewhere, global oil prices fell nearly 2% percent on Thursday as investors focused on the trifecta of trouble created by U.S. stockpile builds, OPEC overproduction and the watering down of Iran sanctions. Brent crude, the global benchmark for oil prices, fell \$1.42, or 1.97% to settle at \$70.65 a barrel, the lowest since mid-August.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	
	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	1.1290	1.1390
GBP/USD	1.2995	1.3095
USD/AED	3.6675	3.6785
USD/JPY	113.40	114.40

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