



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 11TH DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling was relatively stable on Thursday as supply from export inflows as well as intervention by the regulator was equally matched with demand from energy and merchandise importers.

The Central Bank of Kenya was also in the market to mop up KES. 5B in 4 days TAD in order to remain within the set monetary path by the MPC.

By close of day, the local unit stood at 111.45/65 compared to the day's opening of 111.40/60.

The Treasury raised KES 18.256B in new borrowing from the recently re-opened two 15year December bonds issue, which is less than half of the targeted KES 40B, with investors interested in higher yields on offer despite committing their funds for a longer duration at a time when liquidity remains relatively tight due to mopping up by the Central Bank of Kenya in recent weeks.

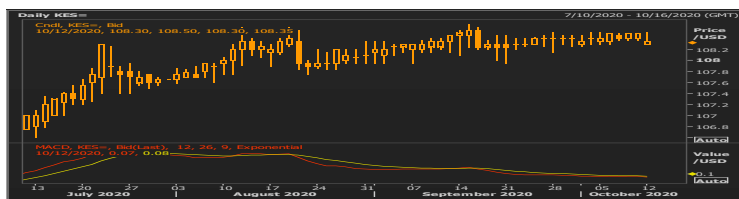
Elsewhere, the Nairobi Securities Exchange (NSE) recorded a 93% increase in turnover to KES 994 Million when trading closed yesterday on a volume of 36.40 Million shares that exchanged hands in 858 deals.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.00	117.00	109.00	118.00
GBP/KES	144.47	154.47	144.97	155.97
EUR/KES	132.07	141.07	132.57	142.57
AED/KES	28.86	33.86	28.86	35.86

Money Market Rates	Current	Previous	Change
Interbank Rate	4.2463%	4.1639%	0.082
91-Day T-bill	6.901%	6.861%	0.040
182-Day T-Bill	7.363%	7.333%	0.030
364-Day T-Bill	8.246%	8.204%	0.042
Inflation	5.460%	4.840%	0.620
CBR RATE	7.000%	7.000%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The dollar was down in early trade as hopes of a COVID-19 recovery grow and causing markets to be heavily short dollars. The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged down 0.18% to 90.653.

The Pound was up 0.21% to \$1.3321, despite doubts on both sides about a resolution to the Brexit trade talks between the U.K. and the European Union (EU) before protections on around \$1 trillion in annual trade expire at the end of December. UK Prime Minister Boris Johnson and European Commission President Ursula von der Leyen have set Sunday as the deadline for finding a way forward.

The Euro rose to \$1.2158 after the European Central Bank (ECB) deployed another round of monetary stimulus totaling EUR500 billion (\$605.19 billion) during its policy meeting, conforming to expectations as Europe continues to fight a second wave of COVID-19 cases. EBC will continue its ongoing bond purchase stimulus by EUR500 billion euros to EUR1.85 trillion and will extend its support program until at least March 2022 from the current earliest end date of mid-2021.

ECB President Christine Lagarde said that the Euro's exchange rate had not been targeted during the central bank's policy meeting yesterday but noted that the appreciation of the Euro plays an important role and exercises downward pressure on prices and thus the need we monitor it.

Elsewhere, Oil prices rose extending a sharp rally that saw Brent surge above \$50 a barrel for the first time since the pandemic-induced market crash of March to \$50.36 per barrel, as coronavirus vaccination rollouts kept hopes alive that demand for crude would build up next year as well as investors hedging against an oilfield attack in Iraq.

Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.25%	1.50%
3 Months	6.50%	1.75%
6 Months	6.75%	2.00%
1 year	7.00%	2.05%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1950	1.2270
GBP/USD	1.3260	1.3590
USD/AED	3.6675	3.6775
USD/JPY	103.30	107.70

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