



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

## TREASURY MARKET UPDATE 16TH DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling mark timed against the dollar on Tuesday as dollar demand from merchandise importers doing last minute purchases before the Christmas holiday was equally matched with supply.

By close of day, the local unit stood at 111.50/70 same as day's opening.

The analysis by the CBK yesterday showed excess liquidity in the market. The regulator was thus in the market to mop KES 20BN in 7 days TAD in order to remain within the set monetary policy path by the MPC.

Elsewhere, the next meeting of the Monetary Policy Committee (MPC) of the Central Bank of Kenya will be held on Wednesday, January 27, 2021.

### Indicative Forex Rates

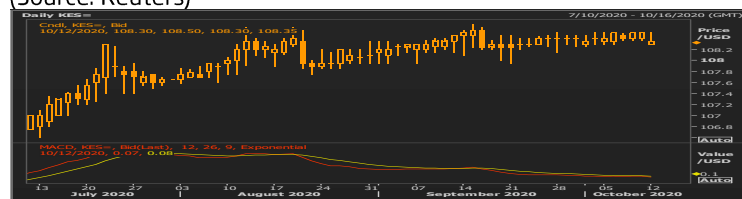
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.10	115.10	110.60	116.60
GBP/KES	146.25	154.26	146.76	153.76
EUR/KES	132.23	139.23	132.73	138.73
AED/KES	28.88	31.88	28.88	31.88

Money Market Rates	Current	Previous	Change
Interbank Rate	5.3294%	5.1317%	0.198
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)

LIBOR Rates	USD	EUR	GBP
6 Months	0.24713	-0.53543	0.03588
12 months	0.33488	-0.49814	0.09700

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar languished near 2 1/2-year lows in early trade as progress toward a massive \$1.4 trillion U.S. government spending bill and COVID-19 roll-out of a vaccine from Pfizer and German partner BioNTech sharpened risk appetite, while another developed by Moderna appeared set for approval this week.

The dollar index, which measures the greenback against a basket of currencies, was last at 90.477.

Markets are keeping an eye on the outcome of a two-day Federal Reserve policy meeting which starts today where the Fed is expected to keep its key overnight interest rate pinned near zero and to signal it will stay there for years to come which would further boost investors' confidence for risk-taking.

The Euro is trading at \$1.2155 in a tight range between 1.2145 and 1.2165, ahead of the Fed meeting.

The Pound held on to more than 1% of gains at \$1.3450 following a report that an elusive Brexit trade deal may now be close, even as British PM Boris Johnson repeated that the most likely outcome of talks was no deal.

Elsewhere, Brent was down 0.2% to \$50.65 a barrel on a surprise gain in crude oil inventories in the United States and as investors continued to worry about demand for fuel being squeezed amid tighter lockdowns in Europe to counter the coronavirus pandemic.

### Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.05%
1 Month	6.25%	0.75%
3 Months	6.50%	1.00%
6 Months	6.75%	1.25%
1 year	7.00%	1.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.2025	1.2280
GBP/USD	1.3280	1.3620
USD/AED	3.6615	3.6795
USD/JPY	103.10	107.20

For more details, contact our Treasury staff Jackline, Loryne, Evelyn and Benson on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913354/55/51. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.