



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH DECEMBER 2020

DOMESTIC NEWS

The Kenya shilling was stable against the dollar on Wednesday amid slow activity as companies were closing for the festive season. By close of day, the local unit stood at 111.50/70 same as day's opening.
The local unit continues to face intense downward pressure due to low foreign exchange income from tourism and exports.
The analysis by the CBK yesterday showed excess liquidity in the market. The regulator was thus in the market to mop KES 15BN in 5 days TAD in order to remain within the set monetary policy path by the MPC.
However, markets expect the shilling to strengthen a bit in the next couple of days as corporates sell their dollars for shilling to facilitate payment of taxes ahead of the 20th day deadline as well as early payment of salaries.
Foreseeably, the shilling is expected to stabilize as demand continues to slow down ahead of the Christmas and New Year festivities.

Indicative Forex Rates

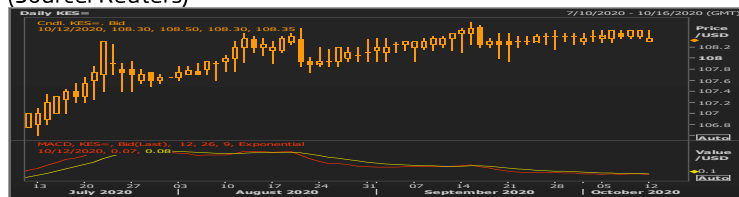
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.10	115.10	110.60	116.60
GBP/KES	147.16	155.16	147.66	154.66
EUR/KES	132.94	139.94	133.44	139.44
AED/KES	28.88	31.88	28.88	31.88

Money Market Rates	Current	Previous	Change
Interbank Rate	5.6066%	5.3294%	0.277
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	0.25175	-0.53314	0.03838
12 months	0.33125	-0.49700	0.10563

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar zigzagged to a session high and back, with investors continuing a retreat from the safe-haven asset after progress by the Republicans and Democrats in Congress towards approving a \$900 billion stimulus bill in the U.S. was evident and the Federal Reserve handing down its policy decision vowing to keep pumping cash into financial markets until the U.S. economic recovery is secure

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.04% to 90.102.

The Pound edged up 0.16% to \$1.3555 boosted by the progress in Brexit talks between the U.K. and the European Union despite the European Commission President Ursula von der Leyen saying that the two sides were closer to a deal, but warning that success was not guaranteed.

The Bank of England (BOE) will hand down their policy decisions later in the day.

The Euro is trading at \$1.2225 supported by positive Eurozone manufacturing and services data as the U.S. dollar remains on the offer, courtesy of the Federal Reserve President Jerome Powell's dovish tone on inflation.

Elsewhere, Bitcoin was up 7.15% smashing the \$20,000 mark to trade at \$20,824 supported by demand from large investors attracted to its potential for quick gains, purported inflation-resistant qualities, and expectations it will become a mainstream payment method.

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	1.2085	1.2350
GBP/USD	1.3420	1.3680
USD/AED	3.6620	3.6840
USD/JPY	102.50	106.20

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