



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18TH DECEMBER 2020

DOMESTIC NEWS

The Kenya shilling was steady against the dollar on Thursday amid sluggish activity as companies are closing down for the end-of-year holidays.

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 10BN in 7 days TAD in order to remain within the set monetary policy path by the MPC.

Further, the Central bank of Kenya has announced that the emergency waivers for mobile money transactions of upto KES 1,000 will expire on December 31, 2020 and rejected bankers' push to re-instate fees on transfer of cash between bank accounts and mobile phone wallets but will further oversee charges between Savings and Credit Societies (SACCOs) and mobile money platforms in an attempt to integrate the societies with mobile money.

Elsewhere, the Nairobi Securities Exchange (NSE) has launched Kenya's first formal over-the-counter (OTC) market platform, which will ease trading, clearing and settlement of shares of unlisted firms thus making price discovery easy and shutting down price manipulation.

Indicative Forex Rates

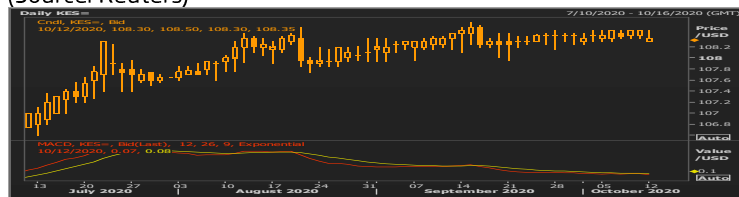
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.10	115.10	110.60	116.60
GBP/KES	146.92	154.92	147.42	154.42
EUR/KES	133.12	140.12	133.62	139.62
AED/KES	28.88	31.88	28.88	31.88

Money Market Rates	Current	Previous	Change
Interbank Rate	5.7517%	5.6066%	0.145
91-Day T-bill	6.916%	6.901%	0.015
182-Day T-Bill	7.399%	7.363%	0.036
364-Day T-Bill	8.283%	8.246%	0.037
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	0.25550	-0.53800	0.04225
12 months	0.33313	-0.49200	0.11463

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was up on Friday morning in Asia but slid through major support levels and was headed towards its worst week in a month with investors turning to risky assets supported by news about vaccine rollouts, as well as progress on both Brexit trade talks and the latest U.S. stimulus measures.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.15% to 89.817.

The Euro is trading at \$1.2245 supported by positive Eurozone's PMI data indicating that the Eurozone's economy saw a rebound in December despite the French president Emmanuel Macron testing positive for covid-19 yesterday just two days after France relaxed measures to curb a second wave of covid-19 by replacing a nationwide lockdown with a curfew. Nevertheless, Eurozone market confidence has been tempered by news that Germany - the bloc's largest economy - would re-enter lockdown in January to curb the spread of Covid-19. The Pound is down 0.24% to \$1.3520 after U.K. Prime Minister Boris Johnson said it was likely a deal wouldn't be reached unless the European Union eased its stance over key sticking issues including fishing quotas. The European Parliament has given Brexit negotiators until Dec, 20 to strike a deal to allow enough time to ratify a potential agreement before the end of the transition period.

Elsewhere, the Bank of Japan (BOJ) will hand down its policy decision during the day, which is widely expected to leave rates steady but announce an extension of a package of steps aimed at easing corporate funding strains with JPY up 0.18% to \$103.29.

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	1.2105	1.2450
GBP/USD	1.3415	1.3680
USD/AED	3.6620	3.6855
USD/JPY	102.10	105.20

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