



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH JANUARY 2021

DOMESTIC NEWS

The Kenya shilling was little changed as demand for the hard currency from oil and merchandise importers was equally matched with supply. Renewed lockdown in parts of Europe since the last quarter of 2020 continue to affect Kenya's exports leaving forex reserves at the Central Bank of Kenya (CBK) to dwindle that cushion the shilling from weakening.

By close of day, the local unit stood at 110.00/20, same as the day's opening.

The analysis by the CBK on Monday showed excess liquidity in the market. The regulator was thus in the market to mop KES 40BN in 4 days TAD in order to remain within the set monetary policy path by the MPC.

Elsewhere, Kenya is holding talks with China for a possible debt service suspension to help the country recover from the economic shocks of covid-19 pandemic even as the five year repayment holiday for the \$1.482 Billion (KES 162 Billion) Chinese loan by Exim Bank of China that was tapped in December 2015 to build the Nairobi-Naivasha standard gauge railway expires on January 21st, 2021.

Indicative Forex Rates

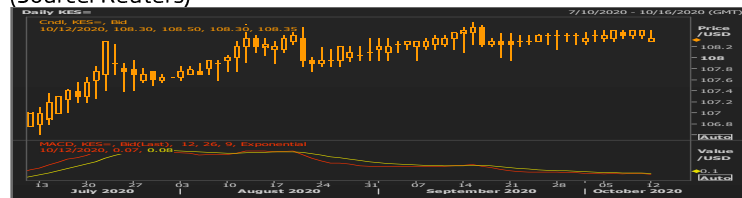
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.60	113.60	107.60	112.60
GBP/KES	145.77	153.77	146.27	153.27
EUR/KES	129.65	136.65	130.15	136.15
AED/KES	28.47	31.47	28.47	31.47

Money Market Rates	Current	Previous	Change
Interbank Rate	4.222%	3.7329%	0.489
91-Day T-bill	6.895%	6.906%	0.011
182-Day T-Bill	7.479%	7.400%	0.079
364-Day T-Bill	8.363%	8.348%	0.015
Inflation	5.620%	5.330%	0.290
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.24813	-0.53671	0.04088
12 months	0.32263	-0.49814	0.07825

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down in early trade, a day after U.S. markets were closed for Martin Luther King Jr. day, but hovered near its highest level in nearly a month as investors expect U.S. Secretary of the Treasury nominee Janet Yellen to affirm a more traditional commitment to market-set currency rates that does not seek a weaker dollar for competitive advantage and to tell the committee that the government must "act big" with its next COVID-19 relief package when she testifies at Capitol Hill later in the day.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged down 0.11% to 90.653.

The Euro rose 0.1% to \$1.2095 after the Euro zone finance ministers pledged continued fiscal support for their economies and discussed the design of post-pandemic recovery plans as the European Commission warned the COVID crisis was making the bloc's economic imbalances worse. The EU has agreed on a 750 billion Euro recovery fund, to be jointly borrowed and repaid, that will fund reforms and investment in each of the 27 EU countries to boost their growth potential while avoiding a debt build up.

The European Central Bank will hand down its policy decisions on Thursday.

The Pound is up by 0.06% to \$1.3600 in a quiet day on the economic calendar, with no material stats due out to provide the Pound with direction leaving COVID-19 news to provide direction.

Elsewhere, Oil was mixed with Brent up 0.40% to \$54.95 as investors weigh optimism that further stimulus measures will boost economic growth against mounting fears for fuel demand as COVID-19-induced lockdowns continue globally.

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	1.1900	1.2200
GBP/USD	1.3450	1.3750
USD/AED	3.6590	3.6890
USD/JPY	102.50	105.50

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