



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

## TREASURY MARKET UPDATE 21ST DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling was unchanged on Friday from the previous session amid thin demand for hard currency from oil and merchandise importers. Demand has slowed down as more corporates close for Christmas and new year festivities. Markets are anticipating a stable shilling in the next couple of days.

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

The analysis by the CBK on Friday showed a square market. The regulator was thus out of the market in order to remain within the set monetary policy path by the MPC.

The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,837 million (4.81 months of import cover) as at December 17. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

Elsewhere, international oil prices increased during the week mainly due to strengthening global demand and decline in crude oil inventory. Murban oil price (Kenya's benchmark) increased to \$51.64 per barrel on December 17 from \$49.32 per barrel on December 10.

### Indicative Forex Rates

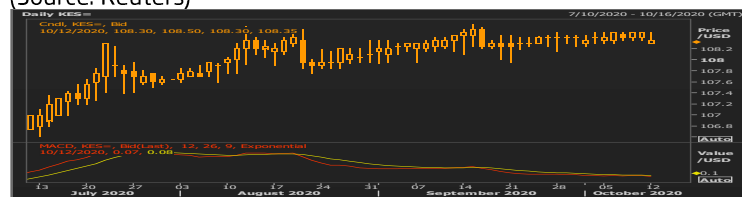
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.10	114.70	110.40	116.40
GBP/KES	144.79	152.79	145.29	152.29
EUR/KES	132.27	139.27	132.77	138.77
AED/KES	28.83	31.83	28.83	31.83

Money Market Rates	Current	Previous	Change
Interbank Rate	5.8846%	5.7517%	0.133
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	0.25850	-0.53657	0.03413
12 months	0.33400	-0.48157	0.11075

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar climbed in early trade with investors seeking its relative safety as many countries tightened COVID-19 lockdowns overshadowing news that the U.S. Congress reached a deal for a \$900 billion COVID-19 aid package as well as optimism that a widening vaccine rollout would revive global growth.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was up 0.40% to 90.257.

The common currency slid 0.4% to \$1.2190 after France, Germany, Italy, the Netherlands, Ireland and Belgium began closing their doors to travellers from the UK on Sunday amid alarm about a rapidly spreading strain of coronavirus which is reportedly 70% more transmissible than the original strain of the virus.

The Pound lost 1.1% to \$1.3360 after Britain imposed tough new restrictions to stem a fast-spreading new coronavirus strain in addition to saying that the European Union must shift position after Brexit negotiators failed to find agreement on the weekend, raising the risk that the UK crashes out of the trading bloc's orbit at the turn of the year with no deal. U.K. Prime Minister Boris Johnson will chair an emergency response meeting later today to discuss international travel, with freight in and out of the country of concern.

Elsewhere, oil was down in early trade with Brent slumping 3.20% to \$50.59 over the discovery of a new COVID-19 strain in the U.K. which could stall a promising recovery in fuel demand and the global economy in general as tighter restrictions are introduced.

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	1.2050	1.2310
GBP/USD	1.3210	1.3485
USD/AED	3.6605	3.6875
USD/JPY	102.10	104.95

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.