



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

## TREASURY MARKET UPDATE 21<sup>ST</sup> DECEMBER 2021

### DOMESTIC NEWS

Kenya's shilling was flat on Monday but underpinned by central bank dollar sales amid subdued supply and high importers demand. Commercial banks quoted the pair USD/KES 112.90/113.10, the same as Friday's close.

In other news the national treasury has unveiled a sh.95.5B bailouts in cash crunch parastatals citing their strategic role in economics development. A fiscal risk analysis conducted earlier in the financial year indicated that some 18 parastatals face a cash crunch in the wake of covid-19 hurting their revenue streams.

Else where Kenya's trade deficit hit Sh1.11 trillion in the 10 months to October on the back of higher industrial goods, fuel and government imports. Data by the Central Bank of Kenya (CBK) shows the gap between merchandise imports and exports widened by 37.7 percent from Sh807.01 billion in a similar period last year when low fuel prices and reduced demand for consumer goods kept a lid on imports.

#### Indicative Forex Rates

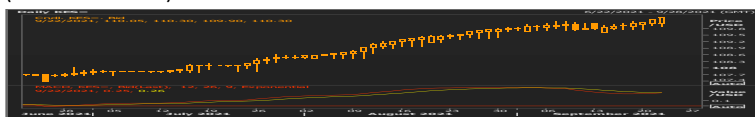
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.65	116.65	111.15	116.15
GBP/KES	145.52	153.52	145.22	153.92
EUR/KES	123.24	131.14	124.04	131.54
AED/KES	29.31	32.31	28.81	32.81

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.960%	4.990%	0.030
91-Day T-bill		7.265%	7.280%	-0.015
182-Day T-Bill		7.977%	7.984%	-0.013
364-Day T-Bill		9.164%	9.091%	0.173
Inflation		5.800%	6.450%	-0.650
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.31275	-0.56671	0.39438
12 months	0.52963	-0.49257	0.73225

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar softened a little on Tuesday in the wake of improving market appetite for risk assets and currencies, extending its overnight losses following a blow to Democratic spending plans in Washington. But moves were muted with a surge of cases of the Omicron variant of the new coronavirus, which has caused some countries to reimpose restrictions, deterring traders from moving too aggressively.

The dollar index which measures the currency against six major peers, dropped to as low as 96.450, down marginally on the day after losing 0.12% overnight.

On the other hand, the pound will likely weaken in the near future as market participants expect too much from the Bank of England (BoE) according to analysts at CIBC. They forecast GBP/USD at 1.31 by the end of Q1 and at 1.29 by Q2 of next year.

In the commodities market, Oil prices edged higher on Tuesday, though investors remained worried about the rapid spread of the Omicron coronavirus variant globally, prompting countries to consider more restrictions potentially denting fuel demand.

Brent crude futures increased by 9 cents, or 0.1%, to \$71.61 a barrel by 0105 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose by 23 cents, or 0.3%, to \$68.84 a barrel.

#### Indicative Profit Rates on Deposits

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	6.00%	0.25%
1 Month	6.25%	0.50%
3 Months	6.50%	0.75%
6 Months	6.75%	1.00%
1 year	7.00%	1.25%

#### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1123	1.1469
GBP/USD	1.3135	1.3651
USD/AED	3.6655	3.6899
USD/JPY	108.35	116.79

For more details, contact our Treasury staff Mary, Bernard, Loryne Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/54/55. 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.