



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 21ST JANUARY 2021

DOMESTIC NEWS

The Kenya shilling was stable against the dollar on Wednesday as demand for the hard currency from oil and merchandise importers was equally matched with supply from exports and remittances. Markets are anticipating the local unit to weaken in the next couple of days as end of the month demand for the greenback from importers sets in. By close of day, the local unit stood at 110.10/30 compared to the day's opening of 110.05/25.

The analysis by the CBK on Wednesday showed excess liquidity in the market. The regulator was thus in the market to mop KES 10BN in 5 days TAD in order to remain within the set monetary policy path by the MPC.

Elsewhere, China has postponed debt repayment for KES 27 billion (\$245 million) due in the first six months of 2020 whose first semi-annual payment date would have been today thus giving Kenya the liquidity it desires to honour its other obligations. However, the government will not seek repayment suspension from multilateral and commercial lenders to safeguard the countries sovereign rating and access to international financial markets.

Indicative Forex Rates

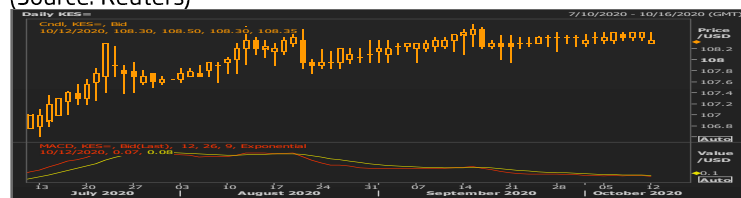
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.65	113.65	107.65	112.65
GBP/KES	146.85	154.85	147.35	154.35
EUR/KES	130.16	137.16	130.66	136.66
AED/KES	28.49	31.49	28.49	31.49

Money Market Rates	Current	Previous	Change
Interbank Rate	4.43%	4.0926%	0.337
91-Day T-bill	6.884%	6.895%	0.011
182-Day T-Bill	7.522%	7.479%	0.043
364-Day T-Bill	8.445%	8.363%	0.082
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	0.23588	-0.53314	0.03763
12 months	0.31300	-0.49871	0.07500

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down as increased hopes for massive U.S. stimulus measures will bolster growth under the newly inaugurated Joe Biden administration eroded demand for safe-haven currencies.

U.S. stocks rose to new records overnight as Biden, who has laid out plans for a \$1.9 trillion pandemic relief package, was sworn in as the 46th president of the United States, vowing to end the "uncivil war" in a deeply divided country reeling from a battered economy and a raging coronavirus pandemic that has killed more than 400,000 Americans.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged down 0.19% to 90.300.

The Euro fell 0.19% to \$1.2130 after hitting a session high of \$1.2158 as Europe continues to deal with a second wave of COVID-19 cases, and fears are mounting that new strains of the virus could lead to stricter lockdowns and more economic damage.

The European Central Bank (ECB) is expected to keep interest rates and the pace of bond purchases unchanged when its hands down its policy decision later in the day.

The Pound rose by almost 0.50% to \$1.3685 mainly driven by the removal of uncertainty regarding the trade conditions between the United Kingdom and the European Union after the European Commission reformed its Task Force for Relations with the UK, into the Service for the EU-UK Agreements (UKS), which will become operational on March 1, 2021.

Elsewhere, Oil was down with Brent dropping 0.37% to \$55.87, as investors digest a small but surprising build in U.S. crude oil supplies that re-ignited fuel demand worries.

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	1.2010	1.2280
GBP/USD	1.3525	1.3825
USD/AED	3.6620	3.6865
USD/JPY	102.15	104.85

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