



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

## TREASURY MARKET UPDATE 23RD DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling strengthened on Tuesday supported by corporates selling dollars for profit taking, amid muted demand from importers as companies close for the holiday season. The rally was also motivated by the fact that corporates were funding their end of month KES obligations early as they break for the festivities.

By close of day, the local unit stood at 109.20/40 compared to the day's opening of 110.90/111.00

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

Elsewhere, Safaricom has reduced transaction with effect from January 1, 2021 in consideration of the expiry of the period for the zero-rated M-Pesa transactions and the ongoing Covid-19 economic circumstances. In addition, free transactions between M-Pesa and Bank accounts will still be available for all customers.

#### Indicative Forex Rates

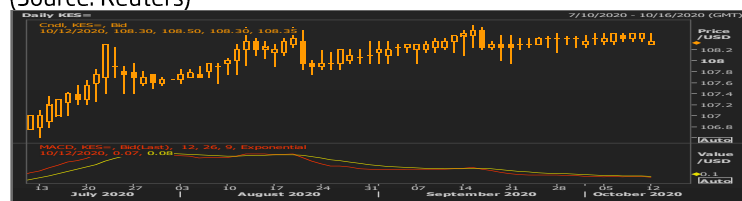
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.80	112.80	108.30	114.30
GBP/KES	142.46	150.46	142.96	149.96
EUR/KES	129.69	136.69	130.19	136.19
AED/KES	28.26	31.26	28.26	31.26

Money Market Rates	Current	Previous	Change
Interbank Rate	5.8354%	5.8809%	- 0.0455
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	0.26050	-0.53343	0.02250
12 months	0.33250	-0.48386	0.08338

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was down in a holiday-thinned trading, despite caution over the new B.1.1.7 strain of the COVID-19 virus as the rollout of vaccines and the possibility of more U.S. stimulus measures boosted hopes for a global economic recovery. However, U.S. President Donald Trump has threatened to not sign an \$892 billion coronavirus relief bill that includes desperately needed money for individual Americans, saying it should be amended to increase the amount in the stimulus checks.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was down 0.23% to 90.338

The discovery of the B.1.1.7 strain, first seen in the U.K., saw The Philippines ban all U.K. flights from Dec. 24, joining over 40 countries that have closed their borders to the U.K. and causing travel chaos just a few days before Christmas.

The Euro is trading at \$1.2185 with markets rightfully taking profit with the holidays around the corner, worrying news of a new coronavirus mutation making its way across the UK, and the potential for Brexit to go off the cliff edge.

The Pound gained 0.37% to \$1.3400, as time runs out for London to reach a trade deal with Brussels before the UK completes its exit from the European Union at year-end.

Elsewhere, Oil dropped with Brent down 1.06% to \$49.30, due to a build in U.S. crude oil supplies and the travel curbs to slow a new mutant strain of the COVID-19 virus putting pressure on an already weak fuel demand.

#### 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	1.2020	1.2310
GBP/USD	1.3275	1.3545
USD/AED	3.6610	3.6865
USD/JPY	102.15	104.75

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