



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

## TREASURY MARKET UPDATE 23RD NOVEMBER 2020

### DOMESTIC NEWS

The shilling fluttered between gains and losses on Friday, ending the day a tad weaker. The morning trading session started quietly with few dollar offers seen. However, as dollar demand remained persistent, the offers were taken up quickly and local unit ended the day on the back foot. Market chatter alludes to the local currency trading within current ranges albeit with a bearish bias. Flows will continue to dominate market trading. By close of day, the local unit at 109.40/109.60 as compared to Thursday's close of 109.30/109.50.

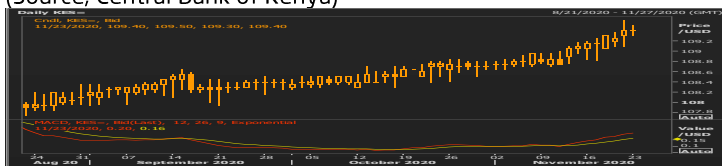
In other news, The International Monetary Fund (IMF) has agreed to fund the next phase of Kenya's COVID-19 response. The IMF team made this disclosure after concluding its virtual Mission to Kenya, which took place between October 27th to November 17th, 2020. Kenya has been negotiating with the IMF on a 3½ year Extended Fund Facility (EFF)/Extended Credit Facility (ECF) arrangement. The IMF Mission said Kenya had suffered an unprecedented shock as a result of the COVID-19 pandemic. The IMF has recommended that Kenya reduce its debt over time through a fiscal consolidation plan centered on raising tax revenues. In the meantime, remittance inflows remained strong in October 2020 amounting to USD 263.1 million compared to USD 224.3 million in October 2019, a significant increase of 17.3 percent. The cumulative inflows in the 12 months to October totaled USD 3,006 million compared to USD 2,791 million in the 12 months to October 2019.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.95	112.95	106.95	111.95
GBP/KES	141.75	149.75	142.30	149.30
EUR/KES	126.50	133.50	126.90	132.90
AED/KES	28.30	31.30	28.30	31.30

Money Market Rates	Current	Previous	Change
Interbank Rate	3.140%	3.052%	0.088
91-Day T-bill	6.706%	6.674%	0.032
182-Day T-Bill	7.152%	7.114%	0.038
364-Day T-Bill	8.094%	8.042%	0.052
Inflation	4.840%	4.200%	0.640
CBR RATE	7.000%	7.000%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index dipped on Friday to 103.145, with optimism over a potential early rollout of COVID-19 vaccines offset by global economic restrictions to curb the spread of the virus. The FDA is looking to grant approval in mid-December for distribution of BNT162b2, the vaccine candidate produced by Pfizer Inc and German partner BioNTech. The first people in the U.S. could be inoculated a day after the approval. On the other hand, the US signaled the blacklisting of a few more Chinese companies in the latest Sino-American tussle.

The GBP/USD pair advanced to \$1.3314 on Friday, as Britain and the European Union are closer to the Brexit deal and will announce the agreement sometime during this week. Also, on the positive side the UK government will announce easing in activity restrictions ahead of the holidays.

The euro languished on Friday at \$1.1850, on the back of the impact of the pandemic on the region's economy and developments around the Recovery Fund. In addition, the dovish stance from the ECB and the potential announcements of extra stimulus in December also cap potential gains in the pair.

The Japanese yen was down to 110.14 on Monday. Japanese markets are closed for a holiday, resulting in sparse liquidity and investor reluctance to test major chart barriers on several dollar pairs.

Elsewhere, global oil prices extended gains on Monday to \$45.17 per barrel as traders eyed a recovery in crude demand thanks to successful coronavirus vaccine trials, although prices were contained by renewed lockdowns in several countries.

### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	USD	
2 Weeks	6.00%	1.25%		
1 Month	6.25%	1.50%		
3 Months	6.50%	1.75%		
6 Months	6.75%	2.00%		
1 year	7.00%	2.05%		

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1740	1.1930
GBP/USD	1.3250	1.3460
USD/AED	3.6675	3.6775
USD/JPY	102.70	107.80

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