



DOMESTIC NEWS

The Kenya shilling strengthened on Wednesday due to dollar sell-off by corporates amid thin importer demand and tight liquidity in the local money market.

Other factors including the easing of the US dollar against the majors linked to uncertainty surrounding the approval of \$900 billion fiscal stimulus by President Donald Trump, Central Bank of Kenya (CBK) intervention in the interbank space and muted demand from oil and merchandise importers supported the shilling.

The cooldown in the fall brings down the local unit's year to date depreciation against the US dollar below double digits to 7.3%. The strong shilling will serve to reduce pressure on import costs along with easing government's external debt repayments which fall due by close of the year.

Elsewhere, President Uhuru Kenyatta yesterday signed into law the Tax Laws (Amendment) Bill 2020 effectively raising the Value Added Tax (VAT), Individual income tax, and corporate tax from 01st January, 2021 signaling tough times in the new year for households and businesses.

Indicative Forex Rates

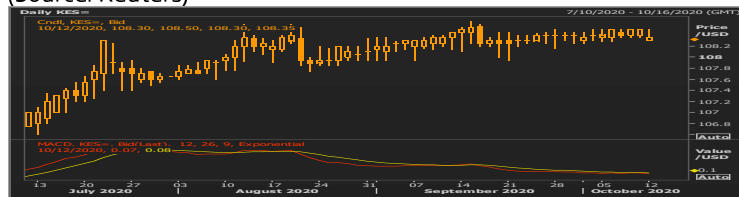
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.25	113.25	108.75	114.75
GBP/KES	144.78	152.78	145.28	152.28
EUR/KES	130.46	137.46	130.96	136.96
AED/KES	28.38	31.38	28.38	31.38

Money Market Rates	Current	Previous	Change
Interbank Rate	5.8276%	5.8354%	- 0.0078
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	0.26275	-0.53329	0.03063
12 months	0.33725	-0.48629	0.08788

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down, with investors retreating from the safe-haven greenback and turning to the Pound over expectations of an imminent Brexit deal that could help the U.K. avoid a turbulent economic rupture come Jan. 1.

The Brexit headlines overshadowed U.S. President Donald Trump's demand for changes to a coronavirus aid bill, effectively threatening a government shutdown next week.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.09% to 90.168 over investor bets that the U.S. Federal Reserve will maintain an accommodative monetary policy and expectations of more fiscal stimulus in 2021 to aid economic recovery from COVID-19.

The Euro strengthened 0.1% to \$1.2205, with a very thin market on Christmas eve.

The Pound pair gained 0.36% to \$1.3555 amid expectations of a final agreement later today that will protect some \$1 trillion in annual cross-channel trade between the U.K. and the European Union (EU) from tariffs and quotas and avoid a turbulent economic rupture on New Year's Day.

The new B.1.1.7 strain of the virus continues to spread, with U.K. Prime Minister Boris Johnson imposing tougher restrictions across England as the strain continues to spread across the country.

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	1.2080	1.2325
GBP/USD	1.3375	1.3720
USD/AED	3.6610	3.6895
USD/JPY	102.20	105.20