



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH NOVEMBER 2020

DOMESTIC NEWS

There was little reprieve for the Kenya Shilling on Tuesday as it continued to edge lower against the greenback. Dollar demand from businesses remains elevated amid scarce inflows from sellers. In the new day further depreciation of the home unit seems plausible as the local market continues to witness growing foreign currency demand. Market chatter still points to a slightly bearish bias in the value of the home unit versus the dollar in the near term. By close of day, the local unit stood at 109.80/110.00 as compared to Wednesday's close of 109.75/109.95.

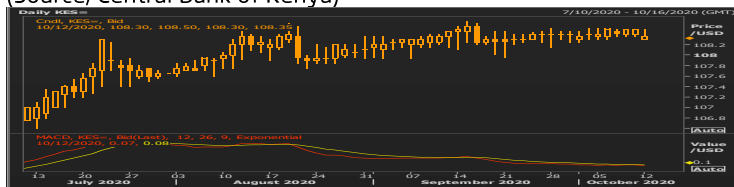
In other news, The Central Bank of Kenya (CBK) on Thursday retained its benchmark lending rate at 7 percent amid the COVID-19 pandemic. CBK governor, who chaired the Monetary Policy Committee (MPC) meeting, said it assessed the outcomes of its policy measures deployed since March to mitigate the adverse economic effects and financial disruptions from the pandemic. He also added that MPC will continue to closely monitor the impact of the policy measures so far, as well as developments in the global and domestic economy, and stands ready to take additional measures as necessary. The Committee will meet again in January 2021, but remains ready to re-convene earlier if necessary.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.65	116.65	108.65	116.65
GBP/KES	145.32	153.32	145.82	152.82
EUR/KES	129.68	136.68	130.18	136.18
AED/KES	28.90	31.90	28.90	31.90

Money Market Rates	Current	Previous	Change
Interbank Rate	3.639%	3.493%	0.146
91-Day T-bill	6.730%	6.706%	0.024
182-Day T-Bill	7.193%	7.152%	0.041
364-Day T-Bill	8.151%	8.094%	0.057
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 was down on Thursday to 91.983 holding steady amid small market moves. However, it looks set to see weekly losses as improved risk appetite continue to apply pressure. The dollar has been under pressure this week, as riskier currencies benefited from increased optimism over a string of COVID-19 vaccines news reports and hopes for a more stable period in U.S. politics.

The GBP/USD pair inched up to \$1.3359 on Thursday. The pound saw a near three-month high as well on Thursday, with investors look towards progress on Brexit talks between the U.K. and the European Union (EU). EU chief negotiator Michel Barnier is reportedly due to speak with some EU fisheries ministers later in the day to discuss the current state of the trade discussions.

The euro changed hands at \$1.1930 on Thursday as chief economist Philip Lane and the minutes from the ECB's October meeting further confirmed the expected announcement of stimulus measures when the central bank meets in December.

The Japanese Yen dropped to 104.10, during the Asian session on Friday. The pair recently refreshed the intraday low amid challenges to the previous risk-on mood as well as the Japanese government's announcement concerning the coronavirus relief stimulus.

Elsewhere, global oil prices were mixed on Friday at \$47.90, with continued demand optimism over imminent vaccine rollouts and concern about signs of dissent within OPEC the main drivers.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.25%	1.50%
3 Months	7.00%	1.75%
6 Months	7.75%	2.00%
1 year	8.25%	2.05%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1750	1.1970
GBP/USD	1.3250	1.3450
USD/AED	3.6675	3.6775
USD/JPY	103.00	107.90

For more details, contact our Treasury staff Jackline, Loryne and Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55, Cell +254 709913354/55. 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.