



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29TH DECEMBER 2020

DOMESTIC NEWS

The Kenya shilling was stable on Monday, boosted by thin dollar demand from oil and merchandise importers and tight liquidity in the local money markets

The analysis by the CBK on Monday showed a skewed market. The regulator was thus in the market for 7 days reverse repo in order to remain within the set monetary policy path by the MPC.

By close of day, the local unit stood at 111.70/90 same as day's opening.

The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,788 million (4.78 months of import cover) as at December 24. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

Elsewhere, international oil prices increased towards the end of the week following news that Britain and the European Union had signed a post-Brexit trade deal as well as a drawdown in crude oil inventories in the U.S. Murban oil price (Kenya's benchmark) increased to \$51.43 per barrel on December 24 from \$49.32 per barrel on December 10.

Indicative Forex Rates

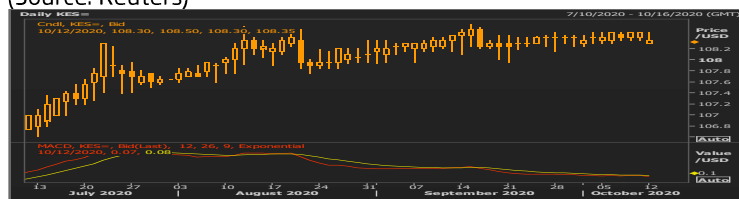
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.25	112.25	107.75	113.75
GBP/KES	142.62	150.62	143.12	150.12
EUR/KES	129.62	136.62	130.12	136.12
AED/KES	28.11	31.11	28.11	31.11

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0405%	5.9229%	0.118
91-Day T-bill	6.929%	6.916%	0.013
182-Day T-Bill	7.403%	7.399%	0.004
364-Day T-Bill	8.338%	8.283%	0.055
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	0.26663	-0.53029	0.03000
12 months	0.34038	-0.48457	0.09813

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down in early trade boosted by U.S. President Donald Trump decision to sign into law a \$2.3 trillion pandemic aid and spending package, restoring unemployment benefits to millions of Americans and averting a federal government shutdown.

The progress on this latest U.S. stimulus measures increased risk appetite after the House of Representatives voted to increase the amount of stimulus checks to qualified Americans from \$600 to \$1,200, with the Senate preparing to vote on the increased amount.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was down 0.24% to 90.058.

Meanwhile, the Euro inched up 0.1% to \$1.2240 in the wake of Britain's trade deal with the European Union and U.S. President Donald Trump's decision to approve a new fiscal stimulus package. Investors are betting the dollar will continue to decline on expectations that the Federal Reserve will hold interest rates near zero and the U.S. economy will struggle to recover from coronavirus-related shutdowns.

Elsewhere, the Pound gained 0.30% to \$1.3485 supported by the post-Brexit trade deal that was reached between the European Union (EU) and the U.K averting the threat of chaos at the border from January 1st. Although the agreement was lacking in detail, the improved outlook for global growth and economic recovery from COVID-19 saw gains in global shares.

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	1.2105	1.2385
GBP/USD	1.3325	1.3650
USD/AED	3.6600	3.6890
USD/JPY	102.25	104.95

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