



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

## TREASURY MARKET UPDATE 30TH DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling was relatively stable on Tuesday amid thin demand for dollars, with import activity still sluggish until after year-end holidays.

Market moves are expected to be passive today, with low liquidity as many investors take their year-end holidays. A light data calendar as 2020 comes to an end also gives investors little incentive to take out big positions.

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

By close of day, the local unit stood at 108.90/109.10 compared to the day's opening of 108.70/90.

Elsewhere, Safaricom share price hit an all-time high of KES 34.25 per unit in yesterday's trading session supported by continued demand for its stock after the Central Bank of Kenya ended a waiver on Mpesa fees for sending up to KES 1,000 which starts from Friday and the telco's announcement of expansion into Ethiopia.

### Indicative Forex Rates

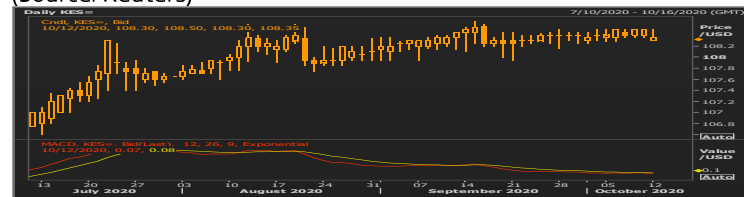
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.55	112.55	108.05	114.05
GBP/KES	143.75	151.75	144.25	151.25
EUR/KES	130.52	137.52	131.02	137.02
AED/KES	28.19	31.19	28.19	31.19

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0505%	6.0405%	0.010
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, with investors looking past a Senate delay in U.S. stimulus checks that the House of Representatives approved increasing the amount from \$600 to \$2,000 and continuing to bet that additional financial aid is still likely as the U.S. continues to see large numbers of COVID-19 cases that threatens the country's economic recovery.

Last-minute infighting where the U.S. Senate Majority Leader Mitch McConnell on Tuesday blocked immediate consideration of the measure to increase COVID-19 relief payments has cast doubts on some of the details of the U.S. aid package despite a second wave of coronavirus infections becoming a big threat to the economy.

Market however expect the dollar to continue falling in 2021 as they expect President-elect Joe Biden to roll out further stimulus measures and the Federal Reserve to maintain low interest rates for an extremely long period of time.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies slipped 0.24% to 89.713.

The Euro opened 0.25% higher at \$1.2285 after the USD broadly weakened and thin volumes pushing the pair to the highest since April 2018.

The Pound was up 0.28% to \$1.3550 after EU member states formally approved the post-Brexit deal yesterday, paving the way for the agreement to be signed into law today ahead of the transition period deadline tomorrow. However, concerns that the Brexit trade deal is too skinny as it fails to cover the crucial UK services sector kept the gains in check.

Source: Reuters

### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	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	GBP/USD	USD/AED	USD/JPY
	1.2120	1.3405	3.6615	102.05
			3.6890	104.85

For more details, contact our Treasury staff Jackline, Loryne, Evelyn and Benson on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913354/55/51. 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.