



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

## TREASURY MARKET UPDATE 31ST DECEMBER 2020

### DOMESTIC NEWS

The Kenya shilling weakened slightly on Wednesday due to increased dollar demand from oil and merchandise importers to close on their end of the month and year obligations.

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 Wednesday showed excess liquidity in the market. The regulator was thus in the market to mop KES 10Bn in 5 days TAD in order to remain within the set monetary policy path by the MPC.

By close of day, the local unit stood at 109.05/109.25 compared to the day's opening of 109.00/20.

Elsewhere, Kenya's exports to the United States under the Africa Growth Opportunities Act (Agoa) hit KES 67 billion last year, a marginal increase of 3.7% from KES 64 billion recorded in the previous year, making Kenya the 96th largest goods trading partner and 4th in Africa.

### Indicative Forex Rates

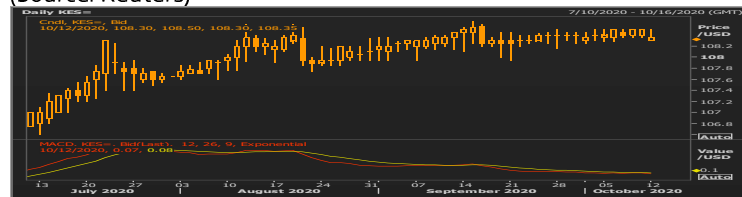
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.65	112.65	108.15	114.15
GBP/KES	144.72	152.72	145.22	152.22
EUR/KES	130.71	137.71	131.21	137.21
AED/KES	28.22	31.22	28.22	31.22

Money Market Rates	Current	Previous	Change
Interbank Rate	6.0464%	6.0505%	0.0041
91-Day T-bill	6.906%	6.929%	0.023
182-Day T-Bill	7.400%	7.403%	0.003
364-Day T-Bill	8.348%	8.338%	0.010
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	0.25713	-0.53343	0.03100
12 months	0.34125	-0.48929	0.09688

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was down over bets that a global economic recovery in 2021 will pull money into riskier assets, even as the growing U.S. 'twin deficits' of a huge budget increase and trade shortfall that has been bleeding dollars as the deficit on goods hit a record \$84.8 billion in November, with imports soaring past pre-COVID-19 levels, both argue for an ever-cheaper greenback.

The U.S. stimulus bill, passed by the House of Representatives and the Senate will be negative for the dollar as U.S. debt balloons and President-elect Joe Biden promises even more measures when his administration takes office on January 20. The prospect of a brighter 2021 has lessened the need for the safe-haven dollar, while burnishing the attraction of riskier assets especially in emerging markets.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.06% to 89.498.

The Euro steamed ahead to \$1.2305 before retreating to \$1.2290, having hit its highest since April 2018, on reports that the European Union (EU) is ending 2020 with a huge current account surplus, thanks in large part to Germany indicating a natural inflow to Euros through trade.

The Pound edged up 0.16% to \$1.3630, levels that have not been seen since May 2018 by the post-Brexit trade deal struck between the U.K. and the EU becoming law after the Queen gave her approval earlier yesterday.

Several areas of England went into the toughest tier four restrictions on yesterday after Covid-19 cases surged above 50,000 for the second day in a row despite a semblance of hope after AstraZeneca coronavirus vaccine was approved for emergency use in the UK.

Source: Reuters

### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	USD	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
EUR/USD	1.2135		1.2435	
GBP/USD	1.3455		1.3785	
USD/AED	3.6615		3.6880	
USD/JPY	102.05		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.