

Today's Indicative Exchange Rate for SWIFT transfers:

| | Against USD | | Against KES | |
|------------|-------------|--------|---------------|---------------|
| | Bid | Ask | Bid | Ask |
| USD | - | - | 107.70 | 110.90 |
| GBP | 1.3660 | 1.3760 | 147.12 | 152.60 |
| EUR | 1.2129 | 1.2229 | 130.63 | 135.62 |
| JPY | 102.73 | 104.23 | 1.0333 | 1.0795 |
| AED | 3.49 | 3.69 | 29.19 | 31.78 |
| AUD | 0.7688 | 0.7788 | 82.80 | 86.37 |
| ZAR | 14.10 | 15.60 | 6.90 | 7.87 |
| UGX | 3535 | 3735 | 31.88 | 34.68 |

Kenya Shilling: The Kenyan shilling edged down on Friday as energy importers tested the market ahead of the end of the month when they require hard currency to meet their obligations.

Money-Market: The overnight rate rose to 4.9764% on a volume of Kes. 6.645B compared to Kes. 8.075B posted in the previous session.

Global Trends:

EUR: The EUR/USD pair extended its advance on Friday, reaching a high of 1.2189, to close the week with gains around the 1.2170 mark. Market players were left without a clear catalyst, after a dull ECB and mixed macroeconomic data.

GBP: The GBP/USD pair retreated on Friday but was able to close the week with gains at 1.3680. The pound was hit by poor UK data, as December Retail Sales were up a modest 0.3% MoM vs 1.2% expected.

JPY: The pair advanced despite the poor performance of equities and falling US Treasury yields and concerns related to the pandemic coupled with others related to a new US stimulus package.

GOLD: Gold prices fell as much as 1.8% on Friday as a broader market sell-off weighed on the metal along with a firm dollar, while hopes for further stimulus from the U.S. kept bullion on track for its first weekly gain in three.

OIL: Oil prices fell on Friday, weighed down by a build in U.S. crude inventories and worries that new pandemic restrictions in China will curb fuel demand in the world's biggest oil importer.

Market Summary:

| | 22.01 | 21.01 | 20.01 | 19.01 | 18.01 |
|--------------------|----------|----------|----------|----------|----------|
| Interbank Rate (%) | 4.9764 | 4.9764 | 4.4300 | 4.0926 | 4.2220 |
| NSE 20 Share index | 1,887.23 | 1,881.57 | 1,881.57 | 1,881.57 | 1,906.63 |
| Oil (\$) | 55.40 | 55.46 | 55.95 | 55.95 | 54.97 |
| Gold (\$) | 1,851.80 | 1,862.50 | 1,873.55 | 1,873.55 | 1,837.55 |

Inflation & CBR

| | Dec | Nov | Oct | Sep | Aug |
|----------------|-------|-------|-------|-------|-------|
| Inflation rate | 5.60% | 5.50% | 4.80% | 4.20% | 4.40% |
| CBR rate | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |

Libor Rates (%)

| Tenure | USD | GBP | EUR |
|--------|---------|---------|----------|
| O/N | 0.08625 | 0.03775 | -0.58986 |
| 1M | 0.12475 | 0.02763 | -0.57729 |
| 3M | 0.21525 | 0.03538 | -0.54500 |
| 6M | 0.23600 | 0.04350 | -0.53214 |

Deposit Rates (> 20M)

| Tenure | Rate |
|--------|-------|
| Call | 3.00% |
| 1M | 5.00% |
| 3M | 6.00% |
| 6M | 7.00% |

Treasury Bills

| | Current rate | Previous rate |
|---------|--------------|---------------|
| 91-day | 6.983% | 6.884% |
| 182-day | 7.508% | 7.522% |
| 364-day | 8.508% | 8.455% |

Highlight of the Day:

USD: The dollar was headed for its worst week of the year on Friday, as investors cheered in the Joe Biden administration by buying riskier currencies and refreshed bets that a pandemic recovery could push the greenback lower still.

The sentiment-driven moves have eroded gains made by the U.S. dollar since the Democrats won control of the U.S. Congress earlier this month. The dollar had risen along with U.S. Treasury yields on expectations of more fiscal stimulus and government borrowing under a Biden administration.

Sources: Bloomberg, FXStreet, Reuters, CNBC, CBK.

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