

DAILY FOREX NEWSLETTER

Monday, 07th December 2020

Local Markets:

The Kenyan Shilling edged up against the dollar on Friday compared to Thursday on market expectations that demand for hard currency will taper off towards holiday season.

Top News:

- Gold prices were little changed in early Asian trade on Monday, as hopes of a U.S. fiscal stimulus package being passed this week countered downward pressure from optimism around Covid-19 vaccines rollouts.
- Oil prices fell on Monday as a continued surge in coronavirus globally forced a series of renewed lockdowns, including strict new measures in Southern California.

International Markets

USD: The dollar started the week on the back foot on Monday after soft U.S. jobs data only solidified expectations of a fresh economic package, while the British pound eyed last-ditch trade talks between the United Kingdom and European Union. Yet traders perceived the data as putting pressure on Washington to pass a new round of stimulus to help the coronavirus-battered economy, keeping overall risk appetite intact and capping the U.S. dollar against riskier currencies.

GBP: GBP/USD extends Friday's pullback from May 2018 high. UK dismisses calls of breakthrough in Brexit talks, Germany and France to ease "level playing field" demands. Comments from UK PM Boris Johnson, EC President Ursula von der Leyen will be in the spotlight. GBP/USD holds lower ground while easing to 1.3423, down 0.10% intraday, during the pre-London open on Monday. The Cable benefited from the US dollar weakness, as well as hopes of a soft Brexit, during the early Asian session. Though, fears of no-deal Brexit and a lack of major data/events keep the quote depressed for the second consecutive day.

EUR: EUR/USD consolidates after last week's bullish close above 1.20. EU's budget and relief package will be decided on Thursday. Poland and Hungary have vowed to veto the budget. The ECB is expected to boost its asset purchase program. EUR/USD may face increased volatility, with the European Union (EU) scheduled to decide budget and relief package on Thursday alongside European Central Bank's monetary policy decision. Both Poland and Hungary have vowed to veto the budget, including the €750 billion (\$909 billion) coronavirus stimulus package.

INR: The Indian rupee traded 3 paise higher against the US dollar on Monday, amid firm domestic equities and a weak greenback. The rupee opened at 73.80 against the US dollar, 1 paise lower from the previous close of 73.79. At 10:10 am, it was up 3 paise at 73.76 against the US dollar. On Friday, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) held rates unchanged and maintained its accommodative stance, in line with market expectations.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.95	112.05			
GBP/KES	146.10	150.70	GBP/USD	1.3425	1.3425
EUR/KES	133.10	136.25	EUR/USD	1.2135	1.2080
INR/KES		1.5600	AUD/USD	0.7435	0.7380
			USD/INR	73.70	76.60
			Commodities		
			Gold	1845	1813
			Brent Crude	49.10	47.09

T-Bills Rates:

Duration	Current	Previous
91 Days	6.861%	6.730%
182 Days	7.333%	7.193%
364 Days	8.204%	8.151%

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