

DAILY FOREX NEWSLETTER

Monday, 14th December 2020

Local Markets:

The Kenyan shilling held steady against the dollar on Friday as demand for hard currency remained subdued.

Top News:

- Oil prices rose on Monday, pushing Brent back above \$50 a barrel, buoyed by hopes that a rollout of coronavirus vaccines will lift global fuel demand, while an extension of Brexit talks eased jitters on that front for now.
- Stocks started a busy week with guarded gains as investors gauged the chance of added U.S. fiscal and monetary stimulus, while the British pound rose in relief as a last-gasp extension to Brexit talks dodged a hard divorce.

International Markets

USD: The dollar was down on Monday morning in Asia, with the U.S. Federal Reserve expected to increase purchases of longer-dated Treasuries to contain a rise in yields when it hands down its policy later in the week.

GBP: GBP/USD Probes the week-start gap-up as Brexit optimism fades below 200-HMAGBP/USD trims the early-Asia gains while stepping back from the key HMA. EU-UK agreed to extend Brexit talks, but no-deal Brexit is still on the table. Sellers eye one-week-old horizontal support, falling trend line from December 04 adds to the upside barriers.

EUR: EUR/USD's put options draw stronger demand than calls. Investors position for a pullback as Germany announces hard lockdown. EUR/USD's options market has flipped bearish, suggesting low odds of a continued rally in the short-term. The one-month risk reversal, which measures the spread between the premium for calls and puts, has dropped to -0.175 – the lowest level since Nov. 2 – having peaked at 0.35 on Dec. 3

INR: USD/INR stays mildly offered below 10-day SMA, inside a bullish chart pattern. Short-term falling trend line adds filters to the upside. Bears eyeing October lows have multiple barriers to conquer. USD/INR struggles to fill the downside gap on the week's start ahead of Monday's Indian session. The quote began the week around 73.65, down from 73.74, before recently bouncing off 73.64. Even so, USD/INR sellers dominate below 10-day SMA while eyeing a re-test of the last Wednesday's low near 73.54.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.75	112.55			
GBP/KES	146.45	149.70	GBP/USD	1.3350	1.3340
EUR/KES	132.20	135.95	EUR/USD	1.2175	1.2185
INR/KES		1.5450	AUD/USD	0.7585	0.7580
			USD/INR	73.47	73.48
			Commodities		
			Gold	1835	1837
			Brent Crude	50.36	50.35

T-Bills Rates:

Duration	Current	Previous
91 Days	6.901%	6.861%
182 Days	7.363%	7.333%
364 Days	8.246%	8.204%

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