

DAILY FOREX NEWSLETTER

Tuesday, 01st December 2020

Local Markets:

The Kenyan Shilling weakened on Monday due to demand for dollars across sectors, the bulk of which came from manufacturing.

Top News:

- Gold prices recovered from five-month lows on Tuesday as worries over spiking Covid-19 cases offset optimism around vaccine developments and nudged investors towards the precious metal.
- Oil prices slipped on Tuesday amid concerns over mounting supply after leading producers delayed talks on 2021 output policy that could extend production cuts as the coronavirus pandemic continues to sap fuel demand.

International Markets

USD: An under-pressure U.S. dollar handed back part of its month-end bounce on Tuesday, as investors reckoned on more monetary easing by the Federal Reserve and a gathering recovery elsewhere. The risk-sensitive Australian and New Zealand dollars edged higher, with the Aussie up 0.3% and the kiwi up 0.5%. The euro rose 0.3%, though all three currencies remained below where they sat before Monday's dollar bounce.

GBP: GBP/USD welcomes December with mild gains, marked the highest run-up in four months in November. Concerns about US economic strength, stimulus weigh on the greenback. Brexit chatters reach the endgame with no clarity over the key hurdles, Irish PM stays hopeful. UK/US Manufacturing PMIs and Fed Chair Powell's testimony will be the key, Brexit updates can keep the driver's seat. GBP/USD eases from the intraday high of 1.3366 while trading near 1.3360 during the pre-London open session on Tuesday.

EUR: EUR/USD trades at 1.1959 versus 1.1923 in early Asia. Coronavirus vaccine optimism and buoyant equity markets weigh over the dollar. Fed's Powell says the US economy remains in a damaged state. The bid tone around the single currency strengthened on Tuesday, pushing EUR/USD higher, as stock markets gained, weakening safe havens such as the greenback. The pair traded near 1.1959 at the time of writing, representing a 0.30% gain on the day, having found buyers near 1.1923 in Asia.

INR: The rupee on Tuesday opened nearly 10 paise higher 73.95 against the US dollar following some weakness in the dollar index amid robust inflows by foreign institutional investors (FII). In the previous session, the local currency consolidated in a narrow range but came under pressure in the latter half of the session following some bit of profit booking. Domestic equities also fell from the high point of the day after gaining sharply in the past few sessions.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	110.90	115.90			
GBP/KES	149.00	155.75	GBP/USD	1.3375	1.3390
EUR/KES	134.10	139.35	EUR/USD	1.1965	1.1990
INR/KES		1.5910	AUD/USD	0.7375	0.7440
			USD/INR	73.50	73.45
			Commodities		
			Gold	1790	1769
			Brent Crude	47.58	47.28

T-Bills Rates:

Duration	Current	Previous
91 Days	6.730%	6.706%
182 Days	7.193%	7.152%
364 Days	8.151%	8.094%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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