

DAILY FOREX NEWSLETTER

Wednesday, 02nd December 2020

Local Markets:

The Kenyan Shilling was trading at its all-time low against the dollar on Tuesday, as focus remained on customer deals as lack of movement in the exchange rates has discouraged interbank deals.

Top News:

- Gold eased on Wednesday after a sharp rise in the previous session, due to uncertainty over a U.S. stimulus package, while progress in a Covid-19 vaccine development also weighed on the metal's safe-haven appeal.
- Oil prices extended losses on Wednesday, hit by a surprise build in oil inventories in the United States and as OPEC and its allies left markets in limbo by delaying a formal meeting to decide whether to increase output in January.

International Markets

USD: The dollar stayed near a 2 1/2-year low on Wednesday as investors cautiously eyed developments in talks about further fiscal stimulus from the United States, while risk currencies held onto gains on improving risk appetite. Against major currencies, the dollar index fell 0.7% to 91.318, having hit its lowest level since late April 2018 of 91.263 overnight. U.S. Senate leader Mitch McConnell said on Tuesday that Congress should include a fresh wave of coronavirus stimulus in a must-pass \$1.4 trillion spending bill aimed at heading off a government shutdown during a pandemic.

GBP: GBP/USD consolidates rally to three-month highs of 1.3440. Brexit deal, UK vaccine rollout likely this weekend. US stimulus talks down the dollar, eyes on ADP jobs. GBP/USD looks to extend its bullish consolidative mode above 1.3400 into European trading, having hit three-month highs at 1.3440 amid renewed Brexit optimism and broad-based US dollar weakness. The underlying narrative remains the same this Wednesday, with hopes for a Brexit deal and coronavirus vaccine distribution in the UK this weekend keeping the GBP bulls underpinned.

EUR: EUR/USD scales 1.20 with a bullish marubozu-like candle. Dollar-bearish sentiment backs technical breakout, suggests scope for stronger gains. The ECB is expected to boost stimulus on Dec. 10. EUR/USD eyes stronger gains, having confirmed a bullish breakout above 1.20 on Tuesday with the biggest single-day percentage gain in nearly nine months. The pair surged by 1.21% on Tuesday on the back of a broad-based US dollar sell-off and closed well above 1.20.

INR: The rupee on Wednesday opened 22 paise higher at 73.44 against the US dollar, supported by foreign inflows into domestic equities. Besides, positive developments on Covid-19 vaccine front, improved domestic macro-economic data and weakness of the American currency against key rivals also supported the rupee.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	110.05	117.15			
GBP/KES	146.70	157.60	GBP/USD	1.3425	1.3375
EUR/KES	132.50	141.80	EUR/USD	1.2080	1.1965
INR/KES		1.5900	AUD/USD	0.7380	0.7375
			USD/INR	76.60	73.50
			Commodities		
			Gold	1813	1790
			Brent Crude	47.09	47.58

T-Bills Rates:

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

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