

DAILY FOREX NEWSLETTER

Thursday, 4th December 2020

Local Markets:

The Kenya's shilling weakened against the dollar on Thursday, prompting the Central Bank to pump in dollars and stabilise it.

Top News:

- Asian shares scaled a record high on Friday on the growing prospect of a large U.S. economic package, while hopes that vaccine rollouts will boost the global economy underpinned investor sentiment.
- Oil prices rose on Friday, heading for a fifth week of gains, after major producers agreed to continue to restrain production to cope with coronavirus-hit demand but the compromise fell short of expectations.

International Markets

USD: The dollar was up on Friday morning in Asia, with investors continuing to bet on further declines as optimism that the COVID-19 pandemic is slowly starting to come to an end. The euro, on the other hand, benefitted from the dollar's weakness and looked set to close its best week in a month

GBP: Brexit nerves have triggered a drop from year-to-date highs reached on Thursday of 1.3500. Talks apparently went badly on Thursday, with level playing field issues reportedly causing problems. GBP/USD has fallen back to around 1.3450 from yearly highs at 1.3500 reached earlier on during Thursday's US session. The pair still closed Thursday FX trade with gains of over 80 pips or 0.6%

EUR: EUR/USD looks set to end the week above the September high of 1.2011. Rising US yields may weigh over stock markets, boosting demand for the US dollar. The US Nonfarm Payrolls data could show the economy added 469K jobs in November. EUR/USD looks set to end the week in a bullish manner above a crucial resistance.

INR: Indian rupee is trading higher at 73.77 per dollar, amid buying seen in the domestic equity market. It opened higher by 12 paise at 73.81 per dollar versus Thursday's close of 73.93. At 11:10 IST, the Sensex was up 386.06 points or 0.86% at 45018.71, and the Nifty was up 113.30 points or 0.86% at 13247.20. Reserve Bank of India (RBI) has kept repo rate unchanged at 4% and reverse repo rate remains unchanged at 3.35%. It has maintained accommodative stance.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.00	111.80			
GBP/KES	147.40	149.95	GBP/USD	1.3480	1.3425
EUR/KES	132.20	135.70	EUR/USD	1.2195	1.2170
INR/KES		1.5500	AUD/USD	0.7467	0.7435
			USD/INR	73.64	73.66
			Commodities		
			Gold	1835	1834
			Brent Crude	49.71	48.11

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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