

DAILY FOREX NEWSLETTER

Tuesday, 08th December 2020

Local Markets:

The Kenyan Shilling traded stable on Monday but was seen coming under pressure on the back of an expected rise in appetite for hard currency from firms looking to settle year end obligations.

Top News:

- Gold continued to recover Tuesday morning in Asia, as new pandemic-related restrictions took effect around the world and stock markets in the U.S. broke a four-day winning streak.
- Oil prices fell on Tuesday, adding to losses from the previous session that came as California tightened its pandemic lockdown through Christmas and coronavirus cases continued to surge in the United States and Europe.

International Markets

USD: The dollar edged a little higher on Tuesday morning in Asia, keeping the momentum from overnight. The surge in COVID-19 cases in the U.S. boosted hopes for more fiscal support, which provided some stimulus to the greenback. The new stimulus deal is urgently needed as California imposed new COVID-19 restrictions, under which all but critical infrastructure and retail operations in its worst-hit areas were ordered to shut. A ban on indoor restaurant dining also loomed in New York City.

GBP: GBP/USD prints three-day losing streak, fails to keep corrective recovery from 13-day low. UK PM Johnson, EU President von der Leyen couldn't overcome the key hurdles, Tory leader will go to Brussels during the week. If negotiations fail, no fresh rounds are on the table during 2021. Investment banks are cautiously optimistic, trade punters worried. GBP/USD remains pressured around the intraday low of 1.3343, down 0.22% on a day, while heading into Tuesday's London open. Although the US dollar fails to extend the previous two days' recovery moves, Brexit woes weigh on the Sterling. Moving on, a light calendar will keep the pair traders directed towards Brexit headlines for fresh impetus.

EUR: EUR/USD trades flat above 1.21, after Monday's 0.13% drop. Analysts foresee a pullback ahead of Thursday's ECB rate decision. German data due at 10:00 GMT is expected to provide mixed signals on the economy. EUR/USD is consolidating below the 100-hour Simple Moving Average (SMA) at 1.2120 for the eighth straight hour, with the bulls waiting on the sidelines amid calls for a pullback ahead of Thursday's European Central Bank (ECB) monetary policy decision.

INR: The Indian rupee opened 7 paise higher against the US dollar amid firm domestic equities, and a lackluster greenback. The rupee opened at 73.83 against the US dollar, compared to the previous close of 73.90. On Monday, the rupee consolidated in the first half of the session but weakened in the latter half of the session primarily as the dollar strengthened against its major crosses.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.75	112.25			
GBP/KES	145.00	150.30	GBP/USD	1.3365	1.3425
EUR/KES	132.20	136.40	EUR/USD	1.2125	1.2135
INR/KES		1.5630	AUD/USD	0.7425	0.7435
			USD/INR	73.70	73.70
			Commodities		
			Gold	1871	1845
			Brent Crude	4845	49.10

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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