

DAILY FOREX NEWSLETTER

Wednesday, 30th December 2020

Local Markets:

The Kenyan Shilling was stable on Tuesday amid thin demand for dollars, with import activity still sluggish until after year-end holiday.

Top News:

- Gold inched higher on Wednesday as the dollar eased, while investors weighed a top U.S. Republican leader's decision to postpone a vote on increased pandemic relief payments.
- Oil gained more ground on Wednesday as a U.S. coronavirus fiscal aid package and a decline in crude oil inventories lifted prices.

International Markets

USD: The dollar was down on Wednesday morning in Asia, with investors looking past a Senate delay in U.S. stimulus checks and continuing to bet that additional financial aid is still likely. The greenback has seen steady losses ever since President Donald Trump signed a combined \$2.3 trillion COVID-19 and spending bill on Sunday. Investors retreated from the dollar as the prospect of more U.S. stimulus reduced demand for safe-haven assets. The last-minute infighting still did little to quench hopes of more fiscal stimulus measures, as the U.S. continues to see large numbers of COVID-19 cases that threatens the country's economic recovery.

GBP: GBP/USD probes intraday high, rises for the second consecutive day. US dollar weakness amid hesitant progress on stimulus paycheck, virus woes please Cable buyers. The Brexit deal reportedly has a smooth run through the Parliament. UK PM Johnson expands Tier-4 activity restrictions amid record jump in Covid cases. GBP/USD takes the bids near 1.3552, up 0.42% intraday, while heading into Wednesday's London open. The Cable recently benefited from the US dollar weakness amid hopes of the coronavirus (COVID-19) stimulus and a fresh case of the Covid variant in Colorado.

EUR: EUR/USD prints three-day winning streak while crossing the multi-month high. US Senate Leader Mitch McConnell puts forward the bill for \$2,000 paycheck despite obstructing it earlier. US Treasury Secretary Steve Mnuchin announces the release of \$600 stimulus payment, Colorado marks the first case of Covid variant. US Chicago Purchasing Managers' Index, Pending Home Sales can entertain traders, risk catalysts keep the driver's seat. EUR/USD remains on the front foot after piercing the multi-month high, currently up 0.32% intraday to 1.2288, ahead of Wednesday's European session.

INR: Rising for the fourth straight session, the rupee appreciated by 7 paise to close at 73.42 (provisional) against the US dollar on Tuesday, tracking weakness in the American currency and positive domestic equities. The sustained foreign fund inflows also supported the rupee.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	109.60			
GBP/KES	144.00	148.90	GBP/USD	1.3555	1.3485
EUR/KES	131.20	135.10	EUR/USD	1.2295	1.2245
INR/KES		1.5200	AUD/USD	0.7665	0.7600
			USD/INR	73.20	73.30
			Commodities		
			Gold	1886	1880
			Brent Crude	51.36	51.19

T-Bills Rates:

Duration	Current	Previous
91 Days	6.929%	6.916%
182 Days	7.403%	7.399%
364 Days	8.338%	8.283%

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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