

DAILY FOREX NEWSLETTER

Wednesday, 31st December 2020

Local Markets:

The Kenyan shilling weakened on Wednesday due to increased dollar demand from importers in various sectors.

Top News:

- Asian shares edged up on Thursday and were set to end a tumultuous 2020 at record highs, while growing investor hopes for a global economic recovery caused the dollar to fall further against most major currencies.
- Global crude oil markets have lost about a fifth of their value in 2020 as strict coronavirus lockdowns paralyzed much of the global economy, but prices have rebounded strongly from their lows as governments rolled out stimulus.

International Markets

USD: The dollar was ending 2020 in a downward spiral on Thursday with investors wagering a global economic recovery will suck money into riskier assets even as the yawning U.S. twin deficits argue for an ever-cheaper currency.

GBP: GBP/USD wavers around intraday low following the early-Asian run-up to fresh high since April 2018. UK's Parliament passed Brexit deal even as SNP dislikes it, PM Johnson warns over the third national lockdown. Virus woes, uncertainty over \$2,000 paycheck stimulus from the US challenge risks amid a quiet day. Thin trading volume can trigger spikes on surprise shift in risk catalysts. GBP/USD fades early Asian upside momentum while taking rounds to 1.3615/20 ahead of Thursday's London open. The cable jumped to the fresh 32-month top of 1.3649 before recently declining to the intraday low of 1.3604.

EUR: EUR/USD revisits sub-1.2300 area while trimming early Asian gains. US dollar bounce as risk wobbles amid mixed signals, light calendar. ECB's Weidmann sounds cautiously optimistic, US announces additional tariffs on German, French products. Partial off in major European bourses, no key data/events on New Year Eve, highlights risk catalysts for fresh moves. EUR/USD wavers around recently flashed intraday low of 1.2285, at 1.2288 now, during the early Thursday's trading.

INR: The Indian rupee opened 16 paise higher at 73.15 per dollar on December 31 against the previous session's close of 73.31. The greenback slipped to its lowest level in two years as investors bought into riskier equities amid hopes of a faster-than-expected economic recovery

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	109.70			
GBP/KES	146.20	149.70	GBP/USD	1.3660	1.3555
EUR/KES	132.50	135.10	EUR/USD	1.2330	1.2295
INR/KES		1.5200	AUD/USD	0.7747	0.7665
			USD/INR	72.85	73.20
			Commodities		
			Gold	1890	1886
			Brent Crude	51.59	51.36

T-Bills Rates:

Duration	Current	Previous
91 Days	6.906%	6.929%
182 Days	7.400%	7.403%
364 Days	8.348%	8.338%

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