

# DAILY FOREX NEWSLETTER

Tuesday, 22<sup>nd</sup> December 2020

## Local Markets:

The Kenyan Shilling was stable on Monday with low demand for the dollar as companies were closing for the holidays.

## Top News:

- Gold was up on Tuesday morning in Asia, as the U.S. Congress reached agreement on a long-awaited COVID-19 stimulus package earlier in the day.
- Oil prices fell on Tuesday, extending sharp losses overnight, as the rapid spread of a new strain of the novel coronavirus in the United Kingdom prompted several countries to close their borders to British travelers and freight.

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia, but jitters over a new COVID-19 strain saw the greenback trade well below the peaks seen during a rollercoaster session overnight. The recent hopes for a global economic recovery from COVID-19 that would boost trade and commodity price, and the resultant bets on a falling dollar, saw export-driven economies and their currencies become an increasingly crowded trade as momentum funds pile in. Positioning data showed that the value of overall bets against the dollar eased a little during the previous week but remained near nine-year highs struck in September.

**GBP:** GBP/USD stands on the slippery ground, refreshes intraday low. Fears of a major virus outbreak, short on capacity to test covid symptoms weigh the quote. Tory MPs told to back Brexit trade deal next week amid progress in talks over fisheries, EU policymakers remain apathetic. UK's final reading on Q3 GDP, US stimulus passage can direct immediate moves. GBP/USD refreshes intraday low to 1.3380, down 0.52% on a day, during the three-day downtrend ahead of Tuesday's London open. The Cable slumped to the lowest since December 11 the previous day before bouncing off 1.3188.

**EUR:** EUR/USD reverses a part of Monday's recovery rally. USD bounces amid US stimulus passage, new covid strain woes. All eyes remain on the virus updates, US final GDP data. EUR/USD retreats towards 1.2200 ahead of the European open, having failed to find acceptance once again above the 1.2250 barrier. The pullback in the main currency pair can be mainly attributed to the resurgent haven demand for the US dollar against its key rivals, as markets fret over the new covid strain found in the UK and its impact on the global economic recovery.

**INR:** The Indian rupee declined 17 paise against the US dollar on Tuesday, extending losing from the previous session, on the back of weakness in domestic equities and a firmer greenback. The rupee opened at 73.96 against the US dollar, compared to the previous close of 73.79.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	109.45	112.20			
<b>GBP/KES</b>	145.20	150.55	<b>GBP/USD</b>	1.3390	1.3365
<b>EUR/KES</b>	133.35	137.45	<b>EUR/USD</b>	1.2225	1.2190
<b>INR/KES</b>		1.5600	<b>AUD/USD</b>	0.7565	0.7570
			<b>USD/INR</b>	73.80	73.60
			<b>Commodities</b>		
			<b>Gold</b>	1879	1908
			<b>Brent Crude</b>	50.01	50.83

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.916%	6.901%
182 Days	7.399%	7.363%
364 Days	8.283%	8.246%

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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