

DAILY FX NEWSLETTER

14TH November 2019

Local Markets:

The Kenyan shilling strengthened to a new four month-high against the dollar on Wednesday due to remittance and inflows from offshore investors buying shares on the stock market. The pair opened at 102.30/102.50 and closed at 102.10/102.20.

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|--------|----------|
| USD/KES | 101.80 | 102.35 | | | |
| GBP/KES | 130.60 | 131.45 | GBP/USD | 1.2841 | 1.2854 |
| EUR/KES | 111.80 | 112.70 | EUR/USD | 1.1015 | 1.1021 |
| INR/KES | | 1.4375 | AUD/USD | 0.6814 | 0.6850 |
| | | | USD/INR | 71.90 | 71.63 |
| | | | Commodities | | |
| | | | Gold | 1465 | 1461 |
| | | | Brent Crude | 62.84 | 61.81 |

T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days | 6.390% | 6.390% |
| 182 Days | 7.261% | 7.189% |
| 364 Days | 9.787% | 9.780% |
| | | |

Top News:

- Gold prices edged down on Thursday as bullion's safe-haven appeal was dented by hawkish signals from the U.S. Federal Reserve on further interest rate cuts, citing growth in the U.S. economy, a strong labor market and steady inflation.
- Oil prices rose on Thursday after industry data showed a surprise drop in U.S. crude inventories while comments from an OPEC official about lower-than-expected U.S. shale production growth in 2020 also provided some support for oil.

International Markets:

USD: The U.S. dollar was stable on Wednesday after October consumer price inflation was greater than expected and Federal Reserve Chair Jerome Powell offered an optimistic outlook for the economy, further solidifying the case for the central bank to pause its monetary easing cycle.

GBP: GBP/USD struggles to justify increasing odds of a Tory leadership and overall USD strength. Brexit party leader Nigel Farage's rejection of the Conservative's request of standing down more than 317 candidates, earlier promised, could negatively affect the British Prime Minister (PM) Boris Johnson's popularity. The United Kingdom's (UK) PM Johnson was recently hacked during a speech to the flood-affected area.

EUR: The Euro initially tried to rally during the trading session on Wednesday, but then turned around to reach towards the 1.10 level underneath. That is a level that of course offers a lot of interest for traders.

INR: After falling more than 60 paise on Wednesday, the currency on Thursday opened nearly 3 paise higher at against the greenback. The rupee hit an over two-month low to the US dollar on Wednesday as poor macro data and lingering worries over US-China trade war weighed on sentiment.

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