

DAILY FX NEWSLETTER

18TH November 2019

Local Markets:

The Kenyan shilling was stable on Friday with dollar inflows from offshore investors buying stocks and government debt meeting thin dollar demand from merchandise importers. The pair opened at 101.95/102.15 and closed at 102.95/102.15.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.65	102.25			
GBP/KES	131.45	132.30	GBP/USD	1.2936	1.2883
EUR/KES	112.40	113.30	EUR/USD	1.1070	1.1029
INR/KES		1.4443	AUD/USD	0.6818	0.6797
			USD/INR	71.58	71.69
			Commodities		
			Gold	1465	1464
			Brent Crude	63.31	62.52

T-Bills Rates:

Duration	Current	Previous
91 Days	6.680%	6.390%
182 Days	7.774%	7.261%
364 Days	9.784%	9.787%

Top News:

- Gold eased on Monday, pressured by optimism over U.S.-China trade ties following a report of “constructive talks” over the weekend, but held within a tight range as caution set in with investors awaiting concrete signals on the negotiations.
- Oil prices were little changed on Monday following steady gains in the previous week with investors awaiting fresh clues over prospects for a trade deal between the United States and China, shrugging off concerns over steadily rising oil supplies.

International Markets:

USD: The U.S. dollar was little changed for most of last week and then weakened against most of the major currencies ahead of the weekend. The consensus narrative is that comments by the U.S. administration fanned optimism on a trade agreement with China, and that encouraged a rally in risk assets. We are skeptical, in part because earlier worries failed to entice much of a market reaction.

GBP: Rising expectations of a Tory leadership after the December election propels the GBP/USD pair to confront a month-old falling trend line resistance while taking rounds to 1.2925 ahead of London open on Monday. Even so, catalysts challenging the broad risk-tone, as well as hardships for the UK PM, limit the pair's further upside.

EUR: EUR/USD is seen building on its last week's recovery above the 1.1050 level, having hit weekly highs at 1.1065 on mild US dollar weakness across the board. The bulls consolidate the latest uptick, awaiting fresh trading impetus heading into the European open.

INR: The rupee on Monday opened 12 paise higher against the American currency, extending its gains for the third session on the back of a positive trend in equity markets and weakness in the greenback against its major crosses. Last week, the rupee was weighed down by weaker-than-expected economic numbers. Industrial production as well as inflation numbers were a little disappointing, weighing on overall market sentiment.

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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