

DAILY FX NEWSLETTER 19TH November 2019

Local Markets:

The Kenyan shilling firmed against the dollar on Monday supported by tightening liquidity in the local money markets and inflows from offshore investors buying stocks and government debt. The pair opened at 101.80/102.05 and closed at 102.95/102.10.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.60	102.20			
GBP/KES	131.70	132.50	GBP/USD	1.2965	1.2936
EUR/KES	112.50	113.40	EUR/USD	1.1083	1.1070
INR/KES		1.4390	AUD/USD	0.6804	0.6818
			USD/INR	71.81	71.58
			Commodities		
			Gold	1472	1465
			Brent Crude	62.24	63.31

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 inched up to its highest in more than 1-1/2 weeks on Tuesday, as fresh doubts about a trade deal between the United States and China dented appetite for riskier assets.
- U.S. oil prices fell for the second straight day on Tuesday amid market jitters over limited progress between China and the United States on rolling back trade tariffs, exacerbated by a rise in U.S. inventories.

International Markets:

USD: The dollar fell against the yen on Tuesday as receding hopes for a preliminary trade deal between the United States and China hurt demand for the greenback. There have been high expectations that the United States and China would sign a so-called "phase one" deal this month to scale back their 16-month long trade war.

GBP: Signs of political stability and a successful Brexit keep the GBP/USD pair bulls' favorite as it takes the bids to 1.2950 while heading into the London open on Tuesday. The Cable recently benefited from the Brexit Party's reduction of candidates while also ignoring the Bank of England's (BOE) dovish bias.

EUR: Having found fresh buyers ahead of the 5-DMA support of 1.1055 in early Asia, the EUR/USD pair is seen heading back towards the weekly tops of 1.1090 amid a pause in broad-based US dollar recovery. The bulls are back in charge, as we progress towards the European opening bells after the US President Trump's tweet on relatively higher Fed rates stalled the tepid recovery in the US dollar across its main competitors.

INR: The rupee on Tuesday opened 11 paise down against the US currency following outflows by foreign institutional investors amid some buying in American currency by banks and importers. Foreign institutional investors sold shares worth over Rs 1,100 crore in the previous trading session. Weaker-than-expected economic numbers on the domestic front have also disturbed the overall market sentiment, thereby putting further pressure on the rupee.

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