

DAILY FX NEWSLETTER 27TH November 2019

Local Markets:

The Kenyan shilling weakened on Tuesday due to uptick in end month dollar demand from the energy and manufacturing sector.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	102.20	102.70			
GBP/KES	131.20	132.20	GBP/USD	1.2865	1.2910
EUR/KES	112.40	113.20	EUR/USD	1.1020	1.1025
INR/KES		1.4480	AUD/USD	0.6785	0.6800
			USD/INR	71.30	71.57
			Commodities		
			Gold	1458	1455
			Brent Crude	64.21	63.68

T-Bills Rates:

Duration	Current	Previous
91 Days	7.131%	6.680%
182 Days	8.215%	7.774%
364 Days	9.804%	9.784%

Top News:

- Asian shares rose on Wednesday as upbeat signals from Sino-U.S. trade talks fanned hopes of an easing of tariff hostilities, while expectations the Federal Reserve will keep interest rates low supported sentiment
- Oil fell on Wednesday after an industry report showed an unexpected build in U.S. crude inventories, but optimism around the signing of the first phase of a U.S.-China trade deal capped a deeper slide in prices

International Markets:

USD: Major currencies hardly budged on Wednesday as traders looked ahead to the final outcome of U.S.-China trade talks and a shortened holiday week in the United States. Against the yen the dollar was traded at 109.05 yen, off two-week high of 109.205 touched on Tuesday amid mild optimism that Washington and Beijing could soon sign a deal to put a hold on their 16-month trade spat.

GBP: GBP/USD stays on the back foot amid shrinking lead of Tories in December election polls. The Conservative manifesto, comments from leaders gain criticism. Trade optimism seems to have favored the greenback ahead of a busy calendar. With the latest polls for the United Kingdom's (UK) December election showing depreciation in the ruling Conservative Party's lead, GBP/USD steps back to 1.2855 while heading into the London open on Wednesday.

EUR: EUR/USD's ATM volatility has hit record lows and the S&P 50 VIX has dropped to seven-month lows. Volatility will likely spike if the US-China trade talks falter. The US personal and corporate spending numbers will take precedence over the Q3 GDP numbers.

INR: Rupee eases from two-week highs amid trade deal hopes, higher oil prices. The USD/INR bounce to be capped by rising FI inflows. All eyes on US macro data dump amid ongoing trade developments. The USD/INR pair reverses early losses, after having hit two-week lows at 71.405 in the opening trades.

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