

DAILY FOREX NEWSLETTER

Thursday, 5th November 2020

Local Markets:

The Kenyan Shilling was stable against the dollar on Wednesday and it was expected to remain in that position, as the supply of dollars matched the demand.

Top News:

- Oil was down on Thursday morning in Asia as U.S. presidential contender Joe Biden begins to look likely to win the U.S. presidency.
- Gold prices were little changed on Thursday after early U.S. election results suggested a lead for Democrat contender Joe Biden, even as the possibility of a contested result remained.

International Markets

USD: The dollar hunkered down to trade in a tight range against most currencies as investors awaited final vote counts in a nail-biting U.S. election that has seen Democrat Joe Biden edge ever so closer to the White House. Financial markets, however, were braced for days or even weeks of uncertainty as Republican incumbent President Donald Trump has opened a multi-pronged attack on vote counts in several states by pursuing lawsuits and a recount. That could hamper the dollar in the short run.

GBP: GBP/USD remains in the red near 1.2950, having hit a low of 1.2921 in early Asia. The BOE is reportedly considering pushing rates below zero. The central bank is expected to boost the bond-buying program on Thursday. While the GBP/USD pair has bounced from session lows, it is still trading in the red as the pound is struggling to draw strong bids on reports that the Bank of England (BOE) is considering implementing negative rates. At press time, the currency pair is trading near 1.2951, representing a 0.27% loss on the day.

EUR: EUR/USD trades near 1.1740, having hit a low of 1.1711 in Asia. Buyers returned as stocks cheer prospects of less regulation in the US. Bond yields continue to favor the US dollar. The shared currency benefits from the risk-on action in Asian equities and pushes EUR/USD higher to the 1.1740 neighborhood on Thursday. The EUR/USD is currently trading 0.15% higher on the day. However, the exchange rate is still trapped within Wednesday's range of 1.1771 to 1.1602. The immediate bias will remain neutral as long as that range remains intact.

INR: The rupee on Thursday opened 40 paise higher at 74.35 against the greenback following weakness in the dollar index which slipped to its lowest level in more than two years against the yuan. It also grounded lower against other Asian currencies as Democrat Joe Biden edged closer to the White House in a nail-biting US presidential election. The local currency traded in a narrow range against the American currency on Wednesday, but volatility within the range remained high.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.35	110.85			
GBP/KES	140.30	144.15	GBP/USD	1.2975	1.2995
EUR/KES	126.90	130.50	EUR/USD	1.1745	1.1660
INR/KES		1.5070	AUD/USD	0.7180	0.7110
			USD/INR	74.20	74.60
			Commodities		
			Gold	1910	1898
			Brent Crude	40.64	40.66

T-Bills Rates:

Duration	Current	Previous
91 Days	6.653%	6.589%
182 Days	7.038%	6.967%
364 Days	7.933%	7.840%

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