

DAILY FOREX NEWSLETTER

Friday, 6th November 2020

Local Markets:

The Kenyan Shilling was stable against the dollar on Thursday with dollar importer demand being matched by supply.

Top News:

- U.S. oil fell nearly 1% on Friday as new lockdowns went into effect in Europe raising questions over the outlook for demand for crude, while ballots were still being counted in the U.S. election with its outcome undecided, keeping markets on edge.
- Gold prices eased on Friday on an uptick in the dollar, with investors eyeing U.S. presidential election results which suggest Democrat contender Joe Biden is inching closer to victory, though the prospect of a contested result remained.

International Markets

USD: The dollar nursed losses against many currencies on Friday as a contentious U.S. presidential election diminished hopes for large stimulus to support the economy any time soon. Investors are betting that Democrat Joe Biden will become the next president, but Republicans will retain control of the Senate, which will make it difficult for the Democrats to pass the larger fiscal spending they have been pushing. Biden maintains an edge over President Donald Trump, but a few important states are still counting votes and Trump is mounting legal challenges to vote counts, so there is still a high degree of uncertainty.

GBP: GBP/USD eases from two-week top of 1.3157 flashed earlier in Asia. Bailey-Biden provided dual boost to the bullish move; Powell fails to please markets. Pre-NFP caution joins mixed headlines from US presidential polls, virus woes to probe the buyers. GBP/USD consolidates gain from 1.3157, to currently around 1.3130, while heading into the London open on Friday.

EUR: EUR/USD wavers as the jury is still out on the US elections. The race has tightened, and a split Congress looks likely. The Fed stands ready to provide more stimulus. EUR/USD is taking a bull breather, having rallied by 0.84% on Thursday to register the biggest single-day percentage gain since June 4. The pair is currently trading largely unchanged on the day near 1.1824 but is up over 1.5% this week. The pair swung both ways during Friday's Asian session, printing a high and low of 1.1847 and 1.1795, respectively, and is flatlined while heading into the London open.

INR: The rupee on Friday opened 40 paise higher at 73.98 against the US dollar following gains in the domestic equity market. Dollar index was also firm as early polls in the US suggest that Joe Biden could be leading the race. However, market participants will be awaiting more clarity on the same. The Fed released its policy statement on Thursday, and in line with expectation held rates unchanged, maintaining a dovish stance.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.35	110.85			
GBP/KES	141.70	145.80	GBP/USD	1.3130	1.2975
EUR/KES	127.80	131.40	EUR/USD	1.1820	1.1745
INR/KES		1.5110	AUD/USD	0.7270	0.7180
			USD/INR	74.00	74.20
			Commodities		
			Gold	1939	1910
			Brent Crude	39.88	40.64

T-Bills Rates:

Duration	Current	Previous
91 Days	6.666%	6.653%
182 Days	7.072%	7.038%
364 Days	7.994%	7.933%

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