

DAILY FOREX NEWSLETTER

Wednesday, 11th November 2020

Local Markets:

The Kenyan Shilling was stable on Tuesday from the previous day although latent demand pressure from importers was still posing depreciation risk.

Top News:

- Gold was up on Wednesday morning in Asia, paring back losses from the previous session. U.S. COVID-19 stimulus hopes weakened the greenback and ever-rising coronavirus cases also pushed the market up.
- Oil was up on Wednesday morning in Asia, with gains of over 11% in the last two days. Prices have been buoyed by positive COVID-19 vaccine news and encouraging U.S. stockpile data.

International Markets

USD: The dollar fell on Wednesday as optimism about a potential coronavirus vaccine was offset by worries about how the drug will be delivered and by a surge of new infections in the United States. The New Zealand dollar recovered from an early dip to hit its strongest level in more than a year as traders scaled back bets that the central bank would move to negative interest rates. Initial optimism about coronavirus vaccine testing pushed the dollar up against the safe-harbour yen and the Swiss franc, but this momentum is starting to fade because there are still several obstacles to clear before a vaccine can be distributed.

GBP: GBP/USD eases from the fresh high since September 04. British Environment Secretary George Eustice sees goodwill for Brexit trade deal. UK PM Johnson's IMB defeat in House of Lords adds to the odds of soft Brexit. Market sentiment stays mixed amid US holiday, fewer calls for negative rates. GBP/USD recedes the upside momentum while declining from the multiday high of 1.3280 to 1.3263, up 0.12% intraday, during the pre-London open trading on Wednesday. The pair recently benefited from the mixed risk sentiment and increasing odds of a soft Brexit.

EUR: EUR/USD lacks clear directional bias and is stuck in Tuesday's 63-pip range. Renewed signs of German economic slowdown pose downside risks to the single currency. ECB's Lagarde is likely to reiterate dovish bias. EUR/USD is in stasis amid increased hopes for coronavirus vaccine and evidence of a renewed slowdown in the German economy. The European Central Bank President Lagarde's speech, due at 13:00 GMT, may provide a clear directional bias to the common currency.

INR: The rupee weakened against the US dollar on Wednesday even as the domestic markets gained and the greenback slipped against other key Asian currencies. The rupee traded at 74.27 against the US dollar, down 9 paise from the previous close of 74.18. It had opened at 74.23. On Tuesday, the rupee ended lower against the dollar despite sharp gains in domestic and global equities, primarily on the back of short covering and marginal rebound in dollar against its major crosses.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	180.40	110.90			
GBP/KES	143.20	147.60	GBP/USD	1.3270	1.3190
EUR/KES	127.90	131.50	EUR/USD	1.1830	1.1840
INR/KES		1.5100	AUD/USD	0.7315	0.7290
			USD/INR	74.20	74.10
			Commodities		
			Gold	1880	1878
			Brent Crude	43.92	41.94

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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