

DAILY FOREX NEWSLETTER

Friday, 13th November 2020

Local Markets:

The Kenyan Shilling weakened on Thursday due to persisting importer demand.

Top News:

- Gold prices were little changed on Friday, as fears of an economic impact due to a surge in global cases of Covid-19 countered optimism from the developments in a potential vaccine.
- Oil prices fell in early trade on Friday as a spike in the number of Covid-19 infections raised fears for the global economy and near-term fuel demand, but remained on track for a second straight weekly gain amid hopes for a vaccine.

International Markets

USD: The dollar was up on Friday morning in Asia, headed towards its best week against the yen since March. Although hopes of a COVID-19 vaccine continued to whet investors' risk appetite, a worsening of the second wave of COVID-19 cases in Europe and the U.S. meant that riskier currencies made little headway. However, logistical issues in mass-producing and transporting these vaccines, the unceasing uptick in the number of COVID-19 cases in Europe and the U.S. and fears that more countries will re-impose lockdowns to curb the spread of the virus. These fears would outweigh any positive developments in eurozone industrial production numbers, due later in the day.

GBP: GBP/USD awaits fresh clues while taking rounds to the weekly low, off intraday bottom recently. Coronavirus cases in the UK, the US refresh record high, British economy losses more momentum in September. Brexit signals keep being mixed, UK's finance ministry can extend tax break to manufacturers. Downbeat statements from Fed's Powell, RBNZ's Orr emphasize Bailey speech. GBP/USD bounced off intraday low while taking the bids near 1.3125 ahead of Friday's London open.

EUR: Down 0.6% this week, EUR/USD risks invalidating last week's bullish candle. The Fed warns economic risks to remain as infections accelerate, risk sentiment weakens. An upbeat Eurozone GDP is needed to save the day for the bulls. EUR/USD has had a tough time this week with market sentiment flip-flopping back and forth on coronavirus and looks set to pour cold water over the optimism generated by the previous week's bullish breakout.

INR: The Indian rupee opened 3 paise higher against the US dollar on Friday amid tepid domestic equities. The rupee opened at 74.62 against the US dollar compared with the previous close of 74.65. In the previous session, rupee fell sharply against the greenback ahead of the important inflation and industrial production number that were released later in the day.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.60	111.40			
GBP/KES	142.10	146.15	GBP/USD	1.3130	1.3210
EUR/KES	127.90	131.50	EUR/USD	1.1810	1.1775
INR/KES		1.5100	AUD/USD	0.7235	0.7275
			USD/INR	74.60	74.40
			Commodities		
			Gold	1877	1866
			Brent Crude	42.98	43.77

T-Bills Rates:

Duration	Current	Previous
91 Days	6.674%	6.666%
182 Days	7.114%	7.072%
364 Days	8.042%	7.994%

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