

DAILY FOREX NEWSLETTER

Friday, 16th November 2020

Local Markets:

The Kenyan shilling was stable on Friday, with remittance flows from Kenyans working abroad matching importer demand.

Top News:

- Asian stocks hit a record high on Monday as vaccine optimism and strong economic data from China and Japan outshone worries about rising coronavirus cases, lifting just about every sector.
- Oil prices edged up in early Asian trade on Monday, recouping some losses from the previous session as hopes that OPEC+ will continue to curb output offset concerns of weaker fuel demand amid rising COVID-19 cases and higher production from Libya.

International Markets

USD: The dollar was down on Monday morning in Asia, with the ever-increasing number of COVID-19 cases counterbalancing hopes that a working vaccine will become available soon and kickstart the economic recovery from the virus. In Asia, fifteen countries signed the Regional Comprehensive Economic Partnership trade deal on Sunday. The agreement whet investors' risk appetite over hopes for an improvement in trade hit by U.S.-China tension.

GBP: GBP/USD at four-day tops, as US dollar loses further ground. Risk-on mood overshadows discouraging Brexit developments. Focus remains on the covid stats amid light economic docket. GBP/USD looks to extend its bullish momentum above 1.3200 into European trading this Monday, helped by the upbeat market mood-led additional weakness in the US dollar across its main competitors.

EUR: EUR/USD prints gains as risk-on weighs over the safe-haven greenback. Risk assets rise on hopes for coronavirus vaccine and ASEAN trade deal. The rising coronavirus cases across the Eurozone could cap upside in the EUR. EUR/USD trades in green in the 1.1850 neighborhood alongside the coronavirus vaccine-led enthusiasm in the stock markets. The pair gained 0.22% and 0.27% on Thursday and Friday, respectively.

INR: Rupee bulls fight back control following the recent decline. USD/INR charts rising channel breakdown on the daily sticks. More losses likely amid bearish crossover, RSI.USD/INR extends pullback from weekly highs of 74.80 into Monday, as the bulls take a breather amid a chart-driven downside signal.

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	1.3260	1.3130
EUR/KES	128.20	131.70	EUR/USD	1.1881	1.1810
INR/KES		1.5100	AUD/USD	0.7300	0.7235
			USD/INR	74.39	74.60
			Commodities		
			Gold	1892	1877
			Brent Crude	43.24	42.98

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.