

DAILY FOREX NEWSLETTER

Monday, 23rd November 2020

Local Markets:

The Kenyan Shilling weakened on Friday to a new all-time low due to increased importer dollar demand from across all sectors, traders said, adding they expect the trend to persist in coming days.

Top News:

- Gold prices ticked higher on Monday in early Asian trade, supported by a weaker dollar and hopes of further U.S. stimulus aimed at cushioning the economic blow from the Covid-19 pandemic.
- Oil prices extended gains on Monday as traders eyed a recovery in crude demand thanks to successful coronavirus vaccine trials, although prices were contained by renewed lockdowns in several countries.

International Markets

USD: The U.S. dollar marked time on Monday as the prospect of an early rollout of coronavirus vaccines was offset by concerns about economic restrictions to control the spread of the virus, leaving safe-haven assets in limbo. A holiday in Japan also made for sparse liquidity and made investors reluctant to test major chart barriers on a number of dollar pairs. The dollar has also been drifting slowly lower on the Japanese yen and last stood at 103.80, just above chart support at 103.62.

GBP: GBP/USD fades the early-Asian gains, backed by Brexit, lockdown news, which probed September 03 high. UK, EU stay optimistic over Brexit despite sticking over key hurdles, chatters concerning easing of virus-led restrictions please the bulls. US-China tension, Fed-Treasury tussle and the virus woes probe the buyers. November month PMIs, risk catalysts in the spotlight. GBP/USD consolidates the early-Asian session gains near multi-day high, currently up 0.16% around 1.3314, while heading into the London open on Monday.

EUR: EUR/USD ekes out gains on coronavirus vaccine optimism. The pair is up over 1% this quarter despite renewed virus crisis across the Eurozone. Euro's resilience may end if Eurozone PMIs due on Monday miss expectations. EUR/USD has shown uncanny resilience to adverse developments across the Eurozone over the past few weeks. The common currency's ability to stay bid will be tested on Monday as a survey-based indicator is set to reveal the true extent of damage to the economy caused by the resurgence of coronavirus.

INR: The rupee opened 4 paise higher against the US dollar on Monday, tracking firm domestic equities and a weak greenback in the region. The Indian rupee opened at 74.11 against the US dollar compared with the previous close of 74.15. Meanwhile, the greenback eased as the prospect of an early rollout of coronavirus vaccines offset concerns about economic restrictions to control the spread of the virus, favoring risk assets for the moment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.95	111.65			
GBP/KES	144.00	149.05	GBP/USD	1.3320	1.3285
EUR/KES	129.05	132.90	EUR/USD	1.1875	1.1890
INR/KES		1.5180	AUD/USD	0.7315	0.7300
			USD/INR	74.10	74.10
			Commodities		
			Gold	1871	1867
			Brent Crude	45.33	44.19

T-Bills Rates:

Duration	Current	Previous
91 Days	6.706%	6.674%
182 Days	7.152%	7.114%
364 Days	8.094%	8.042%

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