

# DAILY FOREX NEWSLETTER

Tuesday, 24<sup>th</sup> November 2020

## Local Markets:

The Kenyan Shilling weakened on Monday due to increased dollar demand from importers across all sectors and this should continue as end of month and holiday demand from importers was heightened

## Top News:

- Gold prices eased in early Asian trade on Tuesday as Covid-19 vaccine developments and upbeat U.S. manufacturing data bolstered investors' hopes of a swift economic recovery.
- Oil prices held gains on Tuesday as news of a third promising vaccine candidate spurred hopes of a quick recovery in oil demand, while U.S. President-elect Joe Biden received the go-ahead to begin his presidential transition.

## International Markets

**USD:** The dollar was down on Tuesday morning in Asia, with riskier currencies boosted by the news that U.S. President-elect Joe Biden is set to nominate Janet Yellen as the U.S. Secretary of the Treasury. The dollar saw its lowest level since Sep. 1 overnight, as clarity from November's U.S. presidential election begins to emerge. However, analysts warned of a potential fresh downturn for the dollar should a conclusive break on the dollar index below support at around 92 occur.

**GBP:** GBP/USD eases inside intraday trading range above 1.3300. Brexit negotiations hover around key issues, a deal that could be revised after several years eyed off-late. BOE's Bailey contrasts with UK Chancellor Sunak to highlight the importance of Brexit and covid-19. Comments from BOE's Haskel, key risk catalysts in the spotlight. GBP/USD prints mild gains above 1.3300, currently up 0.10% around 1.3300, while heading into Tuesday's London open. In doing so, the Cable struggles to justify overall market optimism and increasing odds that the Brexit deal is just around the corner, with certain conditions.

**EUR:** EUR/USD trades near 1.1850 versus 1.1833 in early Asia. Monday's price action shows indecision in the marketplace. A big beat on German IFO Expectations data is needed to force a bullish close. The EUR/USD pair is in stasis, and the forward-looking German IFO Expectations index could provide a clear directional cue to the indecisive market. The pair traded back and forth in the 1.18-1.1906 range on Monday, forming a daily candle with long upper wicks.

**INR:** The Indian rupee was unchanged against the US dollar on Tuesday amid firm domestic equities. The rupee was trading at 74.10 against the US dollar, unchanged from the previous session's close. It had opened marginally lower at 74.12. Globally, risk-sensitive currencies gained on Tuesday as investors breathed easier after US President Donald Trump accepted the start of a transition to a Joe Biden administration, that is expected to include former Federal Reserve Chair Janet Yellen as Treasury secretary, Reuters reported.

## Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency    | Today  | Previous |
|----------|--------|---------|-------------|--------|----------|
| USD/KES  | 109.00 | 111.80  |             |        |          |
| GBP/KES  | 144.10 | 149.40  | GBP/USD     | 1.3340 | 1.3320   |
| EUR/KES  | 128.90 | 132.85  | EUR/USD     | 1.1855 | 1.1875   |
| INR/KES  |        | 1.5235  | AUD/USD     | 0.7320 | 0.7315   |
|          |        |         | USD/INR     | 73.90  | 74.10    |
|          |        |         | Commodities |        |          |
|          |        |         | Gold        | 1824   | 1871     |
|          |        |         | Brent Crude | 46.48  | 45.33    |

## 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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