

DAILY FOREX NEWSLETTER

Thursday, 26th November 2020

Local Markets:

The Kenyan Shilling edged down on Wednesday as end of month demand for dollars continued to pour in from energy and merchandise importers.

Top News:

- Gold prices rose on Thursday as grim U.S. jobs data and worries over surging Covid-19 cases worldwide cast doubts over a quick economic recovery and bolstered the metal's safe-haven appeal.
- U.S. oil rose for a fifth day on Thursday as a surprise drop in crude inventories extended a rally driven by hopes that vaccines would end the coronavirus pandemic and revive fuel demand.

International Markets

USD: The dollar was on the defensive on Thursday as downbeat U.S. economic data and optimism about coronavirus vaccines prompted investors to seek out riskier assets tied to global commodities and emerging markets. The dollar's fall has been so rapid that it could rebound in the short term, market watchers said, but some investors still expect a decline over the longer term as they shift positions in expectation that the coronavirus outbreak will wane next year.

GBP: GBP/USD struggles for a clear direction near the highest levels since September 02. UK's coronavirus (COVID-19) deaths rise to the early May top. EU Chief rekindles odds of no-deal, Irish PM marks "good results" in talks. US Thanksgiving Day can restrict market moves amid a light calendar; risk reshuffle can't be ruled out. Having rallied for consecutive nine-day, GBP/USD bulls catch a breather around 1.3390 while heading into Thursday's London open. In doing so, the quote stays near the fresh high since September 02 of 1.3397, marked earlier in Asia.

EUR: EUR/USD looks to extend the recent rise from 1.1833 to 1.1930. German Consumer Confidence may see bigger-than-expected drop on coronavirus concerns. A weak data could put brakes on EUR/USD's rally. EUR/USD is trading near the three-month high of 1.1930 reached Wednesday and may chart more robust gains if critical German data beats estimates. EUR/USD will likely extend the recent move from 1.1833 to 1.1930 if the data beats estimates by a significant margin. The pair is already on the offensive, courtesy of the dismal US data and the dovish Federal Reserve minutes released Wednesday. Volatility will likely remain low with the US-based traders observing the Thanksgiving holiday.

INR: The Indian rupee traded 6 paise higher against the US dollar on Thursday amid volatile domestic equities and a weak greenback. At 10:09 am, the rupee traded at 73.85 against the US dollar, up 6 paise from the previous close of 73.91. It had opened at 73.82. On Wednesday, the rupee extended its gains against the US dollar as FIIs continued to pour in funds in the equity segment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.80	113.20			
GBP/KES	144.90	151.95	GBP/USD	1.3395	1.3350
EUR/KES	130.50	135.40	EUR/USD	1.1935	1.1905
INR/KES		1.5445	AUD/USD	0.7365	0.7345
			USD/INR	73.80	73.90
			Commodities		
			Gold	1806	1800
			Brent Crude	48.84	48.03

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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