

DAILY FOREX NEWSLETTER

Monday, 28th September 2020

Local Markets:

The Kenyan Shilling edged down against the dollar on Friday as demand for hard currencies by firms build up towards the end of the month when they meet their obligations.

Top News:

- Oil prices dipped on Monday as rising coronavirus cases upset hopes for a smooth recovery in fuel demand, with the main crude benchmarks on track for their first monthly falls in multiple months after last week's slips.
- Gold steadied on Monday as the dollar rally took a pause, while traders were on sidelines as political uncertainty built ahead of the first presidential election debate between U.S. President Donald Trump and his Democratic rival Joe Biden this week.

International Markets

USD: The dollar hovered near a two-month peak against a basket of currencies on Monday, as doubts about recovery persisted ahead of a barrage of economic data and political developments in the United States. While a rebound in U.S. stocks on Friday has helped to curb the ascent of the dollar, deemed as a safe-haven, signs of slowdown in the nascent recovery from the pandemic and political uncertainties have kept investors on guard.

GBP: GBP/USD probes the upper end of 1.2772/51 trading range. British diplomats are positive on reaching a trade deal, Michel Gove heads to Brussels ahead of Tuesday's talks. UK prepares for a strict social lockdown as backlash against 10:00 PM curfew surged. BOE policymaker defends negative rates, no-deal Brexit can result in one million job losses. GBP/USD keeps the early-Asian recovery, up 0.18% intraday near 1.2770, while heading into Monday's London open. The Cable benefits from the weekend headlines suggesting brighter odds of success for the key Brexit talks.

EUR: EUR/USD's sell-off pauses as S&P 500 futures rise. China's Industrial Profits rose for the fourth straight month in August. ECB's Lagarde may play spoilsport by expressing concerns regarding the euro's strength. EUR/USD is taking a breather following last week's sharp drop. The dollar is weakening with the US stock index futures seemingly cheering the upbeat China data released over the weekend.

INR: The rupee on Monday opened 6 paise down at 73.67 against the US dollar following some buying in American currency by banks and importers. The local currency rose in the first half of the previous session following recovery in domestic equities, but gains remained capped as the dollar strengthened against its major crosses. On the domestic front, the focus will be on fiscal deficit number that will be released this week and widening fiscal deficit could keep the rupee weighed down against the US dollar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.10			
GBP/KES	137.45	140.05	GBP/USD	1.2775	1.2765
EUR/KES	125.20	127.60	EUR/USD	1.1640	1.1675
INR/KES		1.5000	AUD/USD	0.7055	0.7070
			USD/INR	73.55	73.60
			Commodities		
			Gold	1859	1871
			Brent Crude	42.08	42.11

T-Bills Rates:

Duration	Current	Previous
91 Days	6.309%	6.273%
182 Days	6.773%	6.720%
364 Days	7.690%	7.571%

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