

DAILY FOREX NEWSLETTER

Friday, 21st August 2020

Local Markets:

The Kenyan shilling strengthened on Thursday on the back of slowing demand from buyers in sectors like energy and manufacturing.

Top News:

- Oil prices rose in early trade on Friday, on track for a third straight week of gains, buoyed by major oil producers' efforts to hold back output amid concerns about the economic recovery from the coronavirus pandemic.
- Gold was up on Friday morning in Asia, building on its gains from the previous session after a surprising uptick in the number of U.S. initial jobless claims saw investors turn to the safe-haven yellow metal.

International Markets

USD: The dollar was on the defensive against most currencies on Friday after a rise in U.S. jobless claims and a dip in Treasury yields dampened the appeal of holding the greenback. A larger-than-expected rise in weekly U.S. jobless claims came just one day after Fed officials warned that a recovery in hiring is starting to slow, raising doubts about how quickly the world's largest economy will bounce back from the coronavirus.

GBP: GBP/USD extends the previous day's gains from 21-day SMA. Late-December 2019 top grabs the bulls' attention, sellers will have a bumpy road even after breaking 21-day SMA. UK Retail Sales may stabilize around 2.0% June's volatile performance, PMIs signal upbeat outcome. GBP/USD remains mildly bid despite recently easing from 1.3234 to 1.3225 during the early Friday. The Cable dropped to one-week low amid the initial downside on Thursday before bouncing off 21-day SMA.

EUR: EUR/USD trades near 1.1870, having defended 1.18 on Thursday. Dollar's bounce has stalled due to dismal US weekly jobless claims data. Euro bulls now need a better-than-expected German and Eurozone PMIs. EUR/USD's bounce from 1.18 will likely gather pace if the preliminary German and Eurozone Market manufacturing, services, and composite PMI data for August blow past expectations on Friday, reinforcing hopes for faster economic recovery.

INR: The rupee on Friday opened 5 paise higher at 74.97 against the US dollar, tracking gains in the domestic equity market and weakness in the dollar index. The local currency on Thursday kicked off the day on a flat note but came under pressure against the greenback following weakness in domestic equities and after the FOMC meeting minutes showed policymakers concerns over economic recovery.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.20	108.80			
GBP/KES	141.80	144.50	GBP/USD	1.3255	1.3085
EUR/KES	127.15	129.65	EUR/USD	1.1890	1.1845
INR/KES		1.4610	AUD/USD	0.7210	0.7180
			USD/INR	74.80	74.95
			Commodities		
			Gold	1954	1948
			Brent Crude	45.02	44.99

T-Bills Rates:

Duration	Current	Previous
91 Days	6.257%	6.200%
182 Days	6.600%	6.561%
364 Days	7.508%	7.517%

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