

# DAILY FOREX NEWSLETTER

Monday, 24<sup>th</sup> August 2020

## Local Markets:

The Kenyan shilling was stable on Friday with demand and supply being equilibrium.

## Top News:

- Gold prices fell on Monday as risk sentiment improved after the U.S. drug regulator authorized the use of blood plasma from recovered COVID-19 patients as a treatment option, and the dollar held firm.
- Crude oil prices nudged higher on Monday as storms bore down on the Gulf of Mexico, shutting more than half the region's oil production, although gains were capped by ongoing concerns about demand from coronavirus lockdowns.

## International Markets

**USD:** The dollar steadied against major currencies on Monday as traders looked to more data for a gauge on the health of the global economy and the Federal Reserve's annual Jackson Hole retreat for guidance on the outlook for U.S. monetary policy. Sentiment for the greenback has improved somewhat due to supportive data on business activity and home sales, but there are still concerns that additional monetary easing may be necessary to keep economic growth on track.

**GBP:** GBP/USD sellers attack the lower range of 1.3080 – 1.3100 intraday trading range. A study by the City of London economists suggests the UK is set for record-breaking economic growth in the third quarter. Brexit talks again stalled on Friday, EU-UK alleges each other for the failure. UK Government prepares emergency plans for coronavirus resurgence with no-deal Brexit. GBP/USD drops to 1.3087 while heading into the London open on Monday. The Cable pair trims early-day gains but keeps the daily range amid a quiet session.

**EUR:** EUR/USD fell by 0.4% last week as dollar few bids after Fed minutes. The pair has ended an eight-week winning trend. The next big move hinges on Powell's speech at Jackson Hole Symposium. EUR/USD's uptrend looks to have stalled ahead of this week's Jackson Hole Symposium where Federal Reserve's (Fed) President Jerome Powell will deliver a speech on the central bank's long-awaited monetary policy framework review, which focuses on inflation.

**INR:** The rupee on Monday opened nearly 6 paise down at 74.91 against the US dollar following some buying in American currency by banks and importers. For the day, brokerage firm Motilal Oswal Financial Services expects USDINR (Spot) to quote in the range of 74.70 and 75.20. Meanwhile, the 10-year bond yield rose to its highest level since May 13.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.20	108.80			
GBP/KES	140.20	142.85	GBP/USD	1.3105	1.3255
EUR/KES	126.30	128.75	EUR/USD	1.1810	1.1890
INR/KES		1.4615	AUD/USD	0.7175	0.7210
			USD/INR	74.75	74.80
			Commodities		
			Gold	1939	1954
			Brent Crude	45.02	45.02

## 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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