

DAILY FX NEWSLETTER

04th August 2020

Local Markets:

The Kenyan shilling edged down on Monday and traders attributed the move to lingering demand for dollars from importers looking to meet their end-month obligations.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.00	108.30			
GBP/KES	139.60	141.75	GBP/USD	1.3075	1.3105
EUR/KES	125.75	127.75	EUR/USD	1.1780	1.1785
INR/KES		1.4540	AUD/USD	0.7185	0.7155
			USD/INR	75.00	74.80
			Commodities		
			Gold	1979	1983
			Brent Crude	43.77	43.38

T-Bills Rates:

Duration	Current	Previous
91 Days	6.121%	6.112%
182 Days	6.455%	6.440%
364 Days	7.391%	7.370%

Top News:

- Gold prices held steady near record highs on Tuesday as worries over the global economic fallout from mounting COVID-19 cases offset pressure from a rebound in the U.S. dollar.
- Oil prices slid on Tuesday amid concerns that a nascent recovery in fuel demand could stall as a fresh wave of COVID-19 infections around the world sparks tighter lockdowns just as major producers ramp up output.

International Markets

USD: The U.S. dollar had its worst month in a decade in July but began August with a bounce, pushing as high as \$1.1695 per euro on Monday, 1.8% above last week's two-year low. A nascent rebound in the dollar paused on Tuesday, as investors weighed mixed but encouraging economic data against slow progress toward a U.S. government spending package and another week of rising coronavirus death.

GBP: GBP/USD bears catch a breather after a two-day losing streak, pullback from 1.3000 be the key. UK Government unveils further economic help, Chancellor Rishi Sunak defends free port trade policy. EU policymakers ready to ease Brexit stand but virus woes still challenge Britain. Risk catalysts remain on the driver's seat amid a light calendar. GBP/USD seesaws around 1.3080, intraday high of 1.3088, while heading into the London open on Tuesday. Broad US dollar strength, coupled with the coronavirus (COVID-19) challenges to the UK, earlier inverted the Cable's run-up to the highest since March.

EUR: EUR/USD is sidelined near 1.1765, having hit lows near 1.17 on Monday. Job losses in the US manufacturing sector weigh over the US dollar. EUR/USD's pullback from Friday's 26-month high of 1.1909 looks to have stalled with key data reviving concerns about the health of the US job market. While the US ISM Manufacturing headline figure climbed to a 15-month high of 54.2 in July, the employment sub-index remained well below 50%. The below-50 reading suggests that companies continued to reduce jobs in July.

INR: Rupee Closes Lower By 20 Paise at 75.01 against the US dollar on Monday. It moved in a range between 74.88 and 75.03 against the greenback before shutting shop near the lowest level recorded during the session, having started the session down eight paise at 74.89. Analysts say strength in the US currency overseas and a nearly 2 per cent fall in domestic equities put pressure on the rupee against the greenback.

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