

DAILY FX NEWSLETTER

05th August 2020

Local Markets:

The Kenyan shilling was broadly stable on Tuesday, it was forecast to ease in the coming days due to dollar demand from oil importers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.15	108.35			
GBP/KES	140.10	142.20	GBP/USD	1.3100	1.3075
EUR/KES	126.40	128.30	EUR/USD	1.1820	1.1780
INR/KES		1.4600	AUD/USD	0.7195	0.7185
			USD/INR	74.75	75.00
			Commodities		
			Gold	2031	1979
			Brent Crude	44.41	43.77

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:

- Oil prices fell for the first time in four days on Wednesday, pulling back from as much as five-month highs as mounting coronavirus cases worldwide and in the United States undercut market confidence in a pickup in fuel demand.
- Safe-haven gold scaled an all-time peak on Wednesday, extending a record run above the \$2,000 mark on a weaker dollar and bets for more stimulus measures to revive a pandemic-ravaged economy.

International Markets

USD: The dollar was under pressure on Wednesday from a towering euro and crumbling U.S. yields, as the latest coronavirus relief package got bogged down in Congress and investors braced for a bumpy ride to economic repair. A hardening perception that the U.S. rebound is lagging Europe has buttressed the common currency just below a two-year high, helping it repel a bounce in the dollar this week.

GBP: GBP/USD fizzles upside momentum below 1.3100, still keeping the previous day's recovery moves. A confluence of 10-day EMA, an ascending trend line from April 14 is the key support. Bulls will have to cross 1.3200 to regain control. GBP/USD eases to 1.3077 during Wednesday's Asian session. The pair fails to extend the previous day's upside beyond 1.3087, needless to mention about its pullback from the March highs near 1.3200. Also suggesting weakness in the Cable is the overbought RSI conditions.

EUR: EUR/USD extends the previous day's run-up to a three-day top. American Congress still lingers over aid package, US-China trade talks can resume mid-August. US ISM Non-Manufacturing PMI, second-tier data from the Eurozone will also decorate the calendar. EUR/USD rises to 1.1816 during the pre-European session on Wednesday. The quote extends the previous day's gains to attack a three-day top as US dollar drops across the board. Though, the bulls remain cautious ahead of the key US data and the on-going talks concerning coronavirus (COVID-19) relief package.

INR: The rupee on Wednesday opened 11 paise higher at 74.93 against the US dollar NSE 3.69 % following gains in the domestic equity market amid a weakening greenback overseas. Market participants are focusing on the important RBI policy statement that will be released on Thursday. There are hopes that the central bank could hold rates unchanged, but commentary will be important to watch.

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