

DAILY FX NEWSLETTER

07th August 2020

Local Markets:

The Kenyan shilling was stable on Thursday and traders said they were watching portfolio inflows from investors abroad to gauge its potential direction.

Top News:

- Oil prices slipped on Friday, adding to losses in the previous session, on worries that fuel demand growth will drop amid a resurgence of coronavirus cases and as talks have stalled in the United States on a new stimulus deal.
- Gold scaled a new all-time peak on Friday and was set for its ninth straight weekly gain, as demand was boosted by a softer dollar, falling U.S. Treasury yields and worries over the global economic fallout from rising COVID-19 cases.

International Markets

USD: The dollar nursed losses against major currencies on Friday ahead of the U.S. non-farm payrolls report, which some investors fear could reinforce the view that economic momentum is slowing. Sentiment has turned against the greenback due to a combination of rising U.S. coronavirus infections, a steady decline in Treasury yields, and a lack of consensus in Washington over additional fiscal stimulus.

GBP: GBP/USD consolidates gains after failing to cross a falling trend line from late-January. Overbought RSI conditions, receding strength of MACD also portrays hardships for the bulls. An upside break will challenge the yearly top, 1.3000 acts as near-term key support. GBP/USD sits tightly between 1.3130 and 1.3155, currently around 1.3143, during Friday's Asian session. The quote refreshed the five-month high previous day by piercing the slightly downward sloping trend line from January 31.

EUR: EUR/USD failed to print a close above 1.19 on Thursday. Daily chart candlesticks and RSI signal bull exhaustion. The EUR/USD pair has failed three times in the last five days to close above 1.19. On Thursday, the currency pair clocked a high of 1.1916 but settled at 1.1876. Similar price action was observed on Wednesday and last Friday. The repeated rejection above 1.19 validates the overbought reading on the 14-day relative strength index and suggests the ebbing of bullish momentum.

INR: The rupee on Friday opened nearly 10 paise down at 75.03 against the US dollar due to some buying in American currency by banks and importers. The local currency consolidated in a narrow range on Thursday after the RBI decided in its policy meeting to keep rates unchanged and also maintained an accommodative stance as long as necessary to revive growth. Reaction on the rupee remained muted and it continued to quote in a narrow range.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	170.30	108.50			
GBP/KES	140.70	142.85	GBP/USD	1.3140	1.3135
EUR/KES	126.95	128.90	EUR/USD	1.1855	1.1895
INR/KES		1.4600	AUD/USD	0.7220	0.7210
			USD/INR	74.85	74.70
			Commodities		
			Gold	2059	2051
			Brent Crude	45.02	45.51

T-Bills Rates:

Duration	Current	Previous
91 Days	6.123%	6.121%
182 Days	6.549%	6.455%
364 Days	7.455%	7.391%

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