

# DAILY FOREX NEWSLETTER

Monday, 14<sup>th</sup> September 2020

## Local Markets:

The Kenyan Shilling edged down on Friday mainly due to demand for dollars by importers amid a lack of firm offers from sellers.

## Top News:

- Oil prices were mixed on Monday with U.S. crude rising as a tropical storm in the Gulf of Mexico forced rigs to shut down, but the gains were kept in check by wider concerns about excess supply and falling demand for fuels.
- Gold prices were flat on Monday as investors maintained a cautious approach ahead of U.S. Federal Reserve's monetary policy decision this week and as optimism around a potential Covid-19 vaccine lifted appetite for riskier assets.

## International Markets

**USD:** The dollar was down on Monday morning in Asia, but the focus centered on the British pound and Japanese yen. The pound rallied from its fall during the previous session over increasing fears of a hard Brexit. In Japan, the ruling party will vote in a new leader later in the day, with the winner widely expected to replace incumbent Prime Minister Shinzo Abe. Investors await the U.S. Federal Reserve's policy meeting, scheduled for Wednesday, with further monetary easing widely expected. But some investors cautioned against setting those expectations too high.

**GBP:** GBP/USD prints mild gains after bouncing off July 24 low, eases from intraday high off-late. MPs will debate and vote on the IMB amid growing Tory rebellion, Former UK PMs also oppose breaking Brexit treaty. News from AstraZeneca helps to keep the risk-tone positive. EU-UK Brexit negotiations to resume in Brussels this week. GBP/USD recedes from day's high to 1.2820 while heading into Monday's London open. Even so, the Cable prints 0.20% gains as printing a U-turn from the multi-day low flashed on Friday.

**EUR:** EUR/USD's weekly chart shows signs of indecision in the market. Last week's high and low are key levels to watch out for in the short-term. The pair is likely to see dull action ahead of the Fed's rate decision. EUR/USD lacks a clear directional bias and trades close to Friday's close of 1.1844. Last week, the pair witnessed two-way business and closed on a flat note, forming a classic Doji candle, an indecision sign in the market place.

**INR:** The rupee on Monday opened 13 paise higher at 73.40 against the US dollar tracking gains in the domestic equity market. The local currency on Friday consolidated in a narrow range ahead of the important industrial production number that was released later on Friday. Data showed India's industrial production contracted 10.4 per cent in July compared to a contraction of 15.7 per cent in the previous month.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.70	109.20			
GBP/KES	137.95	140.35	GBP/USD	1.2830	1.2835
EUR/KES	127.45	129.67	EUR/USD	1.1855	1.1845
INR/KES		1.5020	AUD/USD	0.7290	0.7290
			USD/INR	73.25	73.40
			Commodities		
			Gold	1956	1949
			Brent Crude	39.90	39.94

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.267%	6.295%
182 Days	6.689%	6.627%
364 Days	7.564%	7.554%

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