

# DAILY FOREX NEWSLETTER

Friday, 18<sup>th</sup> September 2020

## Local Markets:

The Kenyan Shilling was stable against dollar Thursday, despite dollar demand from importers in the energy and manufacturing sector.

## Top News:

- Oil prices drifted lower on Friday, pausing after three days of gains, as producers prepared to resume operations in the Gulf of Mexico and data showed Saudi Arabian exports rose from record lows.
- Gold prices rose on Friday as gloomy U.S. jobs data cast a shadow over the economic outlook, and major central banks pledged to roll out further stimulus if required to revive their coronavirus-battered economies.

## International Markets

**USD:** The dollar was steady in early Asia trading on Friday after falling overnight as downbeat U.S. data cast a shadow over the economic outlook, while the Japanese yen stabilized after rising against the greenback and the euro the previous day. The dollar gave up gains made after the Federal Reserve upgraded its 2020 GDP forecast this week to trade in negative territory on Thursday. It was last quoted at 92.866 against a basket of major currencies and was on track for a 0.3% weekly loss.

**GBP:** GBP/USD fades upside momentum below the 1.3000 threshold. A one-week-old falling trend line, confluence of 100 and 200-bar EMAs question buyers. Sellers will wait to cheer the downside break of an ascending trend line from September 11. GBP/USD stays sluggish around 1.2975 during Friday's Asian session. In doing so, the cable fails to extend the previous day's bounce off 1.2864 near the key upside hurdles. Among them, a falling trend line from September 10, at 1.2997 now, nears the 1.3000 psychological magnet to challenge the buyers at first.

**EUR:** EUR/USD consolidates the recovery from monthly lows. Dollar dumped amid downbeat US economic releases. Next of note remains the US Michigan Consumer Sentiment. EUR/USD pair is holding on to the overnight gains, consolidating the over 100-pips recovery from monthly lows of 1.1737 ahead of the European open. The main currency pair witnessed good two-way businesses on Thursday, courtesy of the volatility in the US dollar across its main competitors. During the first half of the day, the greenback bulls cheered the Fed's optimism on the economic outlook and knocked-off the major to the lowest levels in four weeks.

**INR:** The rupee on Friday opened 18 paise higher at 73.47 against the greenback tracking gains in the domestic equity markets and some weakness in the dollar index. The local currency was trading in a narrow range for the past few sessions as market participants awaited the outcome of the FOMC policy statement.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.90	109.50			
<b>GBP/KES</b>	139.65	142.30	<b>GBP/USD</b>	1.2970	1.2940
<b>EUR/KES</b>	127.65	130.10	<b>EUR/USD</b>	1.1860	1.1770
<b>INR/KES</b>		1.5020	<b>AUD/USD</b>	0.7325	0.7280
			<b>USD/INR</b>	73.30	73.60
			<b>Commodities</b>		
			<b>Gold</b>	1960	1950
			<b>Brent Crude</b>	43.52	41.75

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.273%	6.267%
182 Days	6.720%	6.689%
364 Days	7.571%	7.564%

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