

# DAILY FOREX NEWSLETTER

Tuesday, 22<sup>nd</sup> September 2020

## Local Markets:

The Kenyan Shilling was stable on Monday, despite high dollar demand from importers

## Top News:

- Oil rose in early trade on Tuesday, paring sharp overnight losses, as the latest tropical storm in the Gulf of Mexico lost strength, but worries about fuel demand persisted with flare-ups around the globe in coronavirus cases.
- Gold was up on Tuesday morning in Asia, with investors turning to the safe-haven asset over a weak dollar and renewed COVID-19 fears gold.

## International Markets

**USD:** A resurgent dollar held on to overnight gains on Tuesday after virus fears and worries about U.S. stimulus drove a wave of selling in just about everything else. Against a basket of six major currencies the greenback hit a six-week high and held just below that in early Asian trade at 93.547. Gold fell against the rising dollar. Investors are also fretting that the chances of more fiscal stimulus in the U.S. are ebbing as campaigning dominates the political landscape.

**GBP:** GBP/USD snaps two-day losing streak, bounces off one-week low. US dollar pullback plays its role amid a quiet session. Pubs and restaurants in England will be shut after 10:00 PM. BOE's Bailey, UK PM Johnson's COBR meeting and Fedspeak in the spotlight. GBP/USD bounces off 1.2798 to currently around 1.2820 while heading into the London open on Tuesday. Unlike other major currency pairs that mostly portrayed US dollar gains, the Cable marked the coronavirus (COVID-19) woes at home to please the sellers the previous day. As a result, today's announcements from the UK PM Boris Johnson's emergency meeting will be the key.

**EUR:** EUR/USD trades largely unchanged on the day near its 50-day SMA. The pair risks breaching key support on continued risk aversion in stocks. The options market has flipped bearish with Monday's drop. EUR/USD is comatose around its 50-day simple moving average (SMA) of 1.1771, with investors waiting for fresh cues from the European stocks. EUR/USD's options market, however, has turned bearish with put options or bearish bets drawing higher premium than call options or bullish bets.

**INR:** The rupee on Tuesday opened 9 paise down at 73.49 against the US dollar tracking weakness in the domestic equity market. The local currency on Monday consolidated in a narrow range in the first half of the previous session but was weighed down in the latter half following sharp weakness in domestic and global equities. However, the domestic unit strengthened over 8 paise to 73.40 against the dollar on Monday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.80	109.40			
GBP/KES	137.75	140.25	GBP/USD	1.2805	1.2955
EUR/KES	126.50	128.80	EUR/USD	1.1760	1.1870
INR/KES		1.5000	AUD/USD	0.7215	0.7320
			USD/INR	73.40	73.25
			Commodities		
			Gold	1917	1959
			Brent Crude	41.38	42.98

## T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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