

DAILY FOREX NEWSLETTER

Wednesday, 23rd September 2020

Local Markets:

The Kenyan Shilling was a little changed on Tuesday, and was expected to gain ground, helped by dollar inflows from foreign investors interested in buying government bonds.

Top News:

- Gold prices eased for a third straight session on Wednesday as the dollar climbed to a near two-month high, though uncertainties surrounding global economic recovery limited the bullion's decline.
- Oil prices fell on Wednesday after an industry group reported a surprise rise in U.S. crude, adding to worries about demand that led to a steep selloff earlier in the week.

International Markets

USD: The U.S. dollar rose against major currencies on Wednesday, supported by positive U.S. economic data and concerns about a second wave of coronavirus infections in Europe and Britain. The kiwi dollar edged lower in choppy trade after the country's central bank kept monetary policy unchanged but hinted at further easing to help the economy. The greenback is likely to continue to grind higher in the short term as the coronavirus rattles sentiment in Europe, but uncertainty about this year's U.S. presidential election means the dollar could be prone to more volatile swings.

GBP: GBP/USD struggles to keep the recovery moves from 1.2710, the lowest since July 24 flashed the previous day. UK's virus-lead deaths rose to two-month high following PM Johnson's early attempts to rule out national lockdowns. EU's Brexit negotiator heads to London, German minister asked the UK to "stop playing games." British Chancellor is reportedly trying to copy German efforts to safeguard the furlough scheme. GBP/USD attempts recovery from the intraday low of 1.2716 while picking up the bids near 1.2727 during the pre-London open trading on Wednesday.

EUR: EUR/USD drops to multi-week lows below 1.17 on dollar demand. Fed's policymaker struck an optimistic tone on Tuesday, putting a bid under the greenback. Above-forecast Eurozone PMIs are needed to stall EUR/USD's sell-off. EUR/USD's downward move is gathering steam, and the bulls need better-than-expected Eurozone PMI reports to arrest the fall in the common currency.

INR: The rupee traded nearly 6 paise higher at 73.52 against the US dollar in early trade on Wednesday tracking gains in the domestic equity market. The local currency, however, opened flat at 73.58 against the greenback. The domestic unit on Tuesday depreciated 20 paise due to forex outflows and a stronger greenback in the global markets.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.80	109.30			
GBP/KES	137.00	139.50	GBP/USD	1.2705	1.2805
EUR/KES	125.90	128.10	EUR/USD	1.1695	1.1760
INR/KES		1.5000	AUD/USD	0.7145	0.7215
			USD/INR	73.50	73.40
			Commodities		
			Gold	1887	1917
			Brent Crude	41.47	41.38

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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