

# DAILY FOREX NEWSLETTER

Thursday, 24<sup>th</sup> September 2020

## Local Markets:

The Kenyan Shilling was unchanged on Wednesday, with little importer dollar demand seen in the market.

## Top News:

- Gold continued its slide down on Thursday morning in Asia with a further strengthening dollar assisting its fall. The greenback was supported by a strong U.S. housing market, and concerns over risk in other markets. The metal has hit its lowest price in two months.
- Gold prices hit a more than two-month trough on Thursday, weighed down by a robust dollar, with investors looking to U.S. jobless claims data due later in the day to further gauge the pace of a recovery in the world's largest economy.

## International Markets

**USD:** The dollar extended gains against most currencies on Thursday as signs of economic slowdown in Europe and the United States renewed concern about a second wave of coronavirus infections. The dollar is likely to continue to rise as another spike in coronavirus cases and the Federal Reserve's warnings that the U.S. economy needs more fiscal stimulus cause investors to repatriate funds from riskier assets.

**GBP:** GBP/USD sellers await fresh catalysts amid Brexit optimism. Coronavirus concerns, dollar's demand could cap the cable's upside. Eyes BOE Bailey's speech, US Jobless Claims and Powell's testimony. GBP/USD looks to extend its overnight consolidation phase above 1.2700 into Europe, having faded the recovery momentum near 1.2775 region. The cable witnessed a good 100-pips price movement on Wednesday, initially falling to the lowest levels since July 23 at 1.2674.

**EUR:** EUR/USD's risk reversals drop to a three-month low on put demand. Put options represent right to sell euros at a predetermined rate. Investors anticipate deeper decline in the common currency. The bulls need a better-than-expected German IFO to stall the sell-off. EUR/USD's options market, which flipped bearish earlier this week, now shows the strongest EUR-negative bias in at least three months. One-month EUR/USD risk reversals, a gauge of calls to puts on the common currency.

**INR:** The rupee appreciated by one paisa to close at 73.57 (provisional) against the US dollar on Wednesday, as investors turned cautious amid weak domestic equities. At the interbank forex market, the rupee opened weak at 73.59 against the greenback and moved in a close range. It finally settled 1 paisa lower at 73.57 against the American unit. During the session, the domestic unit witnessed an intra-day high of 73.49 and a low of 73.63.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	108.00	109.60			
<b>GBP/KES</b>	136.85	139.30	<b>GBP/USD</b>	1.2710	1.2705
<b>EUR/KES</b>	125.60	127.90	<b>EUR/USD</b>	1.1665	1.1695
<b>INR/KES</b>		1.4950	<b>AUD/USD</b>	0.7045	0.7145
			<b>USD/INR</b>	73.80	73.50
			<b>Commodities</b>		
			<b>Gold</b>	1853	1887
			<b>Brent Crude</b>	41.58	41.47

## 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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