

DAILY FOREX NEWSLETTER

Friday, 25th September 2020

Local Markets:

The Kenyan Shilling edged down on Thursday as demand for dollars began to build up ahead of the end of the month when firms typically meet their hard currency obligation.

Top News:

- Gold was down on Friday morning in Asia as stock markets rose across the globe.
- Oil prices rose on Friday but are on track for a weekly fall because of rising concerns about the global resurgence of coronavirus infections and its effects on fuel demand, while the likely return of exports from Libya will add to supply.

International Markets

USD: The dollar was down on Friday morning in Asia, after earlier gains were reversed over lingering doubts about the latest U.S. stimulus package. Meanwhile, the Chinese yuan was boosted by the inclusion of Chinese debt to FTSE Russell's World Government Bond (WGBI) index. U.S. markets rose on Thursday over increased hopes that the U.S. Congress would break a months-long impasse to pass the latest COVID-19 stimulus measures. Democrats in the U.S. House of Representatives announced that they are working on a \$2.2 trillion COVID-19 stimulus package that could be voted on next week.

GBP: GBP/USD's bounce remains capped near 1.2780. UK Sunak's furlough scheme offers temporary reprieve. US dollar looks to regain poise ahead of Durable Goods data. Having faltered the bounce once again near 1.2780 region, GBP/USD remains side-lined near 1.2750 ahead of the London open, as the bull-bear tug-of-war extends amid a stall in the US dollar's rally and cautious optimism. The greenback is off the overnight lows and holds steady so far this Friday, prompting subdued trading in the cable amid a lack of fresh catalysts.

EUR: EUR/USD is down more than 1% this week. The pair last suffered a 1% weekly drop in May. Coronavirus resurgence to keep euro under pressure in the near-term. Dollar to benefit from the US fiscal impasse, election uncertainty. EUR/USD is on track to register its first 1% weekly decline since the first week of May. The pair is currently trading at 1.1665, representing a 1.46% decline on a week-to-date basis, having reached a two-month low of 1.1626 on Thursday.

INR: The rupee depreciated 32 paise to settle at 73.89 (provisional) against the US dollar on Thursday as sell-off in domestic equities and foreign fund outflows weighed on investor sentiment. At the interbank forex market, the rupee opened on a weak note at 73.82, then fell further to finally close at 73.89 against the American currency, registering a fall of 32 paise over its last close.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.10			
GBP/KES	137.35	139.90	GBP/USD	1.2765	1.2710
EUR/KES	125.55	128.00	EUR/USD	1.1675	1.1665
INR/KES		1.4950	AUD/USD	0.7070	0.7045
			USD/INR	73.60	73.80
			Commodities		
			Gold	1871	1853
			Brent Crude	42.11	41.58

T-Bills Rates:

Duration	Current	Previous
91 Days	6.309%	6.273%
182 Days	6.773%	6.720%
364 Days	7.690%	7.571%

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