

DAILY FOREX NEWSLETTER

Tuesday, 29th September 2020

Local Markets:

The Kenyan Shilling was steady on Monday, it was expected to weaken due to increased importer dollar demand from companies in the energy, manufacturing sectors and general goods importers.

Top News:

- Gold edged higher on Tuesday buoyed by a softer dollar, with investors focusing on the first U.S. presidential debate and progress on a new U.S. stimulus bill.
- Oil prices fell on Tuesday as demand concerns driven by Covid-19 outweighed hopes that U.S. lawmakers and the White House were nearing an agreement on a new stimulus package to revive the world's biggest economy.

International Markets

USD: The dollar was steady against a basket of currencies on Tuesday as traders looked out to the first U.S. presidential debate and developments on the U.S. stimulus bill. The dollar index stood unchanged at 94.150, drifting away from a two-month high of 94.745 reached last week, as stock markets made solid gains partly on upbeat China data with Wall Street rebounding following last week's selloff. All eyes are on the first U.S. presidential election debate where Democrat Joe Biden and Republican Donald Trump will square off later in the day.

GBP: GBP/USD keeps bounces off 1.2836 to print a two-day winning streak. EU steps back from threats to drop trade and security talks, shows readiness to prepare a joint legal agreement. UK's Gove refrains from entertaining the bloc's demand over IMB, BOE's Ramsden rules out negative rates. Brexit talks in Brussels will be up till Friday, BOE's Carney, US Presidential Election debate and Fed speak also becomes important. GBP/USD keeps buyer's hopeful, despite the US dollar's recent recoveries, while taking rounds to 1.2860 during the pre-London open trading on Tuesday.

EUR: EUR/USD consolidates the corrective bounce below 1.1700. President Lagarde indicated the ECB will deploy further stimulus if needed. Eurozone/ US Consumer Confidence data, Fed speak in focus. EUR/USD is consolidating the recent corrective advance towards 1.1700, as the US dollar attempts a comeback across the board, despite the risk-on market mood. At the time of writing, the main currency pair adds 0.10% to trade at 1.1675, having hit a daily high of 1.1684. The spot hit a two-month low of 1.1625 last Friday.

INR: The rupee on Tuesday opened nearly 2 paise higher at 73.77 against the US dollar following some gains in the domestic equity market. The local currency consolidated in a narrow range in the first half of the session on Monday but was weighed down in the latter half following suspected oil-related dollar buying. The domestic unit settled 18 paise lower at 73.79 against the greenback in the previous session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.30			
GBP/KES	138.80	142.20	GBP/USD	1.2865	1.2775
EUR/KES	125.95	129.10	EUR/USD	1.1680	1.1640
INR/KES		1.4950	AUD/USD	0.7090	0.7055
			USD/INR	73.75	73.55
			Commodities		
			Gold	1884	1859
			Brent Crude	42.65	42.08

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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