

DAILY FOREX NEWSLETTER

Thursday, 03rd September 2020

Local Markets:

The Kenyan shilling was stable against the dollar on Wednesday, it was still susceptible to lower supplies of hard currencies.

Top News:

- Gold prices edged higher on Thursday following a steep fall in the previous session, as a weaker U.S. dollar and worries over the global economic outlook due to rising Covid-19 cases underpinned the metal's appeal.
- Oil prices were little changed in early trade on Thursday, sitting near multi-week lows hit overnight on worries about fuel demand due to a patchy U.S. economic recovery.

International Markets

USD: The dollar clung to overnight gains on Thursday, as investors trimmed bets against the greenback and sold the euro on concerns that the European Central Bank was worried about its rise. The bounce has lifted the greenback about 1% above the 28-month low it hit against a basket of currencies on Tuesday and brought its first back-to-back daily gains since June.

GBP: GBP/USD stays heavy near the intraday low close to 1.3320. Brexit pessimism, comments from BOE policymakers snapped three-day winning streak on Wednesday. US dollar's sustained recovery exerts additional downside pressure. Key activity numbers may offer intermediate direction ahead of Friday's NFP. GBP/USD drops to 1.3328, down 0.17% on a day, while heading into the London open on Thursday. In doing so, the Cable extends the previous day's losses, piled mainly due to the downside comments from the BOE members, Brexit pessimism and the broad US dollar recovery.

EUR: EUR/USD trades in the red near 1.1820 at press time versus 1.1856 in early Asia. China's service sector PMI bettered estimates by a big margin. Asian stocks cheer signs of continued recovery in China but fail to inspire USD bears. EUR/USD remains depressed on Thursday with dollar bears sitting on the fence despite upbeat China Caixin Services PMI and risk-on action in the Asian stocks. However, the greenback is showing resilience on Thursday and keeping EUR/USD under pressure. The pair is currently trading at 1.1821, representing a 0.239 decline on the day. According to Marc Chandler, a former chief currency strategist for the giant British bank HSBC, corrective pressures are giving the greenback a reprieve.

INR: The rupee on Thursday opened 18 paise down at 73.21 against the US dollar amid a strengthening greenback overseas. The local currency consolidated in a narrow range on Wednesday after appreciating in the past few sessions despite a weaker-than-expected economic number that was released on the domestic front.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.45	108.85			
GBP/KES	142.65	144.75	GBP/USD	1.3300	1.3390
EUR/KES	126.60	128.55	EUR/USD	1.1810	1.1910
INR/KES		1.5000	AUD/USD	0.7315	0.7365
			USD/INR	73.25	72.80
			Commodities		
			Gold	1941	1970
			Brent Crude	44.28	45.95

T-Bills Rates:

Duration	Current	Previous
91 Days	6.273%	6.257%
182 Days	6.625%	6.600%
364 Days	7.507%	7.508%

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