

DAILY FOREX NEWSLETTER

Friday, 04th September 2020

Local Markets:

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

Top News:

- Oil prices slipped on Friday, on track for a weekly loss, as investors' focus shifted to lackluster demand and ample fuel supplies, offsetting support from a weak dollar.
- Gold prices rose on Friday as a slightly weaker U.S. dollar and a pullback in global equities lifted demand for the safe-haven metal, while investors awaited the release of U.S. non-farm payrolls data for August.

International Markets

USD: The dollar steadied against major currencies on Friday as traders awaited key U.S. jobs data that may cast doubt on the strength of economic recovery from the coronavirus outbreak. The greenback has managed to halt its recent slide, but analysts warn sentiment remains weak due to concern about the strength of U.S. economic growth and speculation that the Federal Reserve will keep rates low for a very long time.

GBP: GBP/USD looks for a firm direction around the weekly lows after declining for two consecutive days. UK PM Johnson adds to the increased odds of a no-deal Brexit, Chancellor Sunak warned over tax hike chatter. UK-US talks will resume on September 08, British tribunal to investigate Uighur claims of 'genocide'. British Construction PMI, speech from BOE's Saunders may entertain momentum traders ahead of the US NFP. Having dropped during the last two days, GBP/USD wavers around 1.3280 while heading into the London open on Friday. In doing so the Cable seesaws near the weekly bottom and ignores downbeat catalysts, like Brexit woes, tax hikes, ahead of the key US Nonfarm Payrolls (NFP).

EUR: EUR/USD charted a long-legged Doji on Thursday, establishing 1.1789 as key support. The immediate bearish bias has been neutralized ahead of the US Nonfarm Payrolls release. A below-forecast payrolls figure is expected to yield a notable dollar sell-off. EUR/USD now has strong support at 1.1789. On Thursday, the pair fell to that level only to rise back to 1.1850 by the GMT close. Essentially, EUR/USD carved out a classic long-legged Doji candle on Thursday, aborting the immediate bearish bias and establishing 1.1789 as the level to beat for the sellers.

INR: The rupee depreciated 44 paise and closed at 73.47 (provisional) against the US dollar on Thursday tracking muted domestic equities and strengthening American currency. At the interbank forex market, the rupee opened on a weak note at 73.23, lost further ground during the session and finally settled for the day at 73.47 against the greenback, registering a fall of 44 paise over its last close.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.50	108.80			
GBP/KES	142.40	144.70	GBP/USD	1.3280	1.3300
EUR/KES	127.10	129.20	EUR/USD	1.1855	1.1810
INR/KES		1.500	AUD/USD	0.7275	0.7315
			USD/INR	73.20	73.25
			Commodities		
			Gold	1944	1941
			Brent Crude	43.72	44.28

T-Bills Rates:

Duration	Current	Previous
91 Days	6.295%	6.273%
182 Days	6.627%	6.625%
364 Days	7.554%	7.507%

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