

DAILY FOREX NEWSLETTER

Monday, 7th September 2020

Local Markets:

The Kenyan shilling held steady against the dollar on Friday as activities in the market was curbed by dearth of hard currency seller.

Top News:

- Oil prices dropped more than 1% on Monday after earlier hitting their lowest since July as Saudi Arabia made the deepest monthly price cuts for supply to Asia in five months while optimism about demand recovery cooled amid the coronavirus pandemic.
- Gold edged higher on Monday after weak U.S. data raised concerns over a quick economic rebound from the coronavirus-led slump and cemented hopes that lower interest rates would last longer.

International Markets

USD: The dollar steadied in holiday-thinned trade on Monday after U.S. jobs data showed job growth slowed further in August, while traders shifted their focus to the European Central Bank's meeting on Thursday. The U.S. Labor Department report on Friday showed that U.S. employment growth slowed, and permanent job losses increased as government funding started running out, raising doubts on the sustainability of the economy's recovery. Still, the jobless rate fell to 8.4% from 10.2% in July.

GBP: GBP/USD stays offered around the intraday low of 1.3237. UK PM Johnson threatens EU to walk out with any deal, Brexit negotiator David Frost said, "We won't blink first". Chatters surrounding the UK government's legislation also add to trade talks pessimism, EU leaders feel irritated but await clarification. US markets are off today, risk catalysts to keep weighing on the Cable. GBP/USD drops to 1.3239, down 0.30% on a day, while heading into the London open on Monday. The Cable remains on the back foot since the day's start as fears of a no-deal Brexit gains momentum.

EUR: EUR/USD consolidates Friday's reversal from below 1.1800 levels. US dollar steadies in the aftermath of NFP jobs report. The spot awaits the German data, with all eyes on ECB decision. EUR/USD is looking to extend its overnight range play below mid-1.1800 into early Europe, as investors remain cautious starting out a fresh week. The main event risk this week is likely to be the European Central Bank (ECB) monetary policy decision.

INR: The rupee on Monday opened 4 paise down at 73.18 against the US dollar tracking weakness in the domestic equity market and outflows from foreign institutional investors (FII). Overseas investors pulled out Rs 900 crore on net basis from domestic markets in the first four trading sessions of this month as weak economic data and India-China border tensions hit market

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.50	108.80			
GBP/KES	141.90	144.10	GBP/USD	1.3225	1.3280
EUR/KES	127.00	129.10	EUR/USD	1.1840	1.1855
INR/KES		1.5005	AUD/USD	0.7285	0.7275
			USD/INR	73.20	73.20
			Commodities		
			Gold	1935	1944
			Brent Crude	42.07	43.72

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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