

DAILY FOREX NEWSLETTER

Wednesday, 9th September 2020

Local Markets:

The Kenyan Shilling edged down against the dollar on Tuesday on the back of demand for hard currency, amid a shortage of offers in the currency market.

Top News:

- Oil futures fell further on Wednesday after big declines the previous session with Brent sliding below \$40 a barrel for the first time since June as Covid-19 cases rebounded in several countries.
- Gold prices were steady on Wednesday as the metal was caught between a strengthening U.S. dollar and a pullback in global equities, with investors awaiting monetary policy strategies from central banks.

International Markets

USD: The dollar held its gains on Wednesday, as a stock market slide spilled over into selling of riskier currencies and an oil slump weighed on commodity currencies, while fresh Brexit turmoil pushed the pound to a six-week low. The greenback sat by a one-month high against a basket of rivals and edged up against the pound, euro and the kiwi. The overnight currency moves came with gains in the bond market as a tech selloff, which began last week with no apparent trigger, begins to drive broader risk aversion.

GBP: GBP/USD seesaws in a choppy range between 1.2950 and 1.2973 after declining to six-week low during early Asia. UK PM recalls virus-led restrictions, chatter over Withdrawal Agreement Bill (WAB) keeps confusing the EU. News from AstraZeneca, China data trigger risk reset but UK bond yields and volatility still favor bears. GBP/USD stays on the back foot around 1.2960 while heading into the London open on Thursday. The cable prints a 0.15% daily loss as taking rounds within a small trading range near the lowest since late-August.

EUR: EUR/USD recovers to 1.1780 after defending support at 1.1757 in Asia. Dovish ECB expectations and risk-off likely to keep bond yields under pressure. Euro bulls may have a hard time holding on to gains during the European hours. While EUR/USD has reversed higher from significant support, more substantial gains will likely remain elusive if the Eurozone bond yields extend Tuesday's decline. The pair is currently trading at 1.1780, having defended the daily chart channel support at 1.1757 during the Asian trading hours.

INR: The rupee depreciated 25 paise and settled at 73.63 (provisional) against the US dollar on Tuesday amid rise in demand for the American currency from banks and importers. At the interbank forex market, the rupee started off on a tepid note at 73.63 and finally closed at 73.60 against the greenback, down 25 paise over its previous close.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.60	109.00			
GBP/KES	139.25	141.65	GBP/USD	1.2970	1.3145
EUR/KES	126.55	128.75	EUR/USD	1.1785	1.1810
INR/KES		1.4980	AUD/USD	0.7235	0.7285
			USD/INR	73.50	73.40
			Commodities		
			Gold	1940	1935
			Brent Crude	39.68	41.95

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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