

# DAILY FOREX NEWSLETTER

Tuesday, 13th October 2020

## Local Markets:

The Kenyan Shilling was stable on Monday as light demand for dollars from the energy and horticultural sectors was matched by the supply in the market.

## Top News:

- Oil prices were steady in early trade on Tuesday, sitting on losses of nearly 3% from the previous session after supplies began to resume in Norway and the U.S. Gulf of Mexico and Libya resumed production at its largest oilfield.
- Gold was down on Tuesday morning in Asia as the greenback gained strength. A rapid rise in U.S. tech stocks also drew investors' interest away from the precious metal.

## International Markets

**USD:** The dollar bounced back from a three-week low on Tuesday as market players bought it back, particularly against riskier peers, after Chinese authorities appeared to be trying to put a brake on recent rises in the yuan. But overall risk sentiment was propped up by hope that former U.S. Vice President Joe Biden will beat President Donald Trump in the Nov. 3 U.S. election and push forward with a large stimulus to shore up a pandemic-hit economy.

**GBP:** GBP/USD steps back from a five-week top to 1.3045. Bullish MACD, confluence of 200-bar SMA and 38.2% Fibonacci retracement can challenge sellers. Buyers will have to defy a three-week-old ascending channel formation to revisit the early September tops. GBP/USD drops to 1.3045, down 0.12% intraday, as markets in Tokyo open for trading on Tuesday. In doing so, the pair justifies its U-turn from the 50% Fibonacci retracement level of the September month's downside, which in turn suggests further weakness to come.

**EUR:** EUR/USD drops as Johnson and Johnson pauses coronavirus vaccine trials. Rising virus cases across the Eurozone pose downside risks to the EUR. Key support below 1.1787 may hold of the German data, due at 09:00 GMT, beat estimates. EUR/USD is trading at session lows near 1.1795 as the dollar is gaining ground across the board on negative news about one potential coronavirus vaccine from Johnson and Johnson. The pharma giant said late Monday that it had paused all trials of its coronavirus vaccine after a participant experienced an unexplained illness.

**INR:** The rupee opened 12 paise lower on Tuesday amid lackluster domestic equities and weak economic data. The Indian unit opened at 73.39 against the US dollar, compared with the previous close of 73.27. On Monday, the rupee snapped its three-session winning run, slipping 12 paise to close at 73.28 against the dollar amid weakening Asian peers.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	108.20	110.40			
<b>GBP/KES</b>	140.95	144.40	<b>GBP/USD</b>	1.3055	1.3085
<b>EUR/KES</b>	127.40	130.55	<b>EUR/USD</b>	1.1805	1.1880
<b>INR/KES</b>		1.5100	<b>AUD/USD</b>	0.7195	0.7285
			<b>USD/INR</b>	73.25	72.88
			<b>Commodities</b>		
			<b>Gold</b>	1920	1930
			<b>Brent Crude</b>	42.16	42.48

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.468%	6.400%
182 Days	6.853%	6.839%
364 Days	7.762%	7.744%

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