

DAILY FOREX NEWSLETTER

Wednesday, 14th October 2020

Local Markets:

The Kenyan Shilling edged down on Tuesday as demand from oil and merchandise importers exceeded supply from the horticultural sector and remittances from abroad.

Top News:

- Oil prices were steady on Wednesday on concerns that fuel demand will continue to falter as rising coronavirus cases across Europe and in the United States, the world's biggest oil consumer, could impede economic growth.
- Gold prices lingered below the key \$1,900/ounce psychological level on Wednesday as lack of an agreement on additional U.S. fiscal stimulus helped the dollar stay firm.

International Markets

USD: The U.S. dollar held onto gains against most currencies on Wednesday as renewed questions about a coronavirus vaccine and lack of an agreement on additional U.S. fiscal stimulus prompted a shift to safer assets. Moves are likely to be subdued as the U.S. presidential election looms on Nov. 3, but analysts said sentiment is leaning against riskier bets, which should support the dollar in the coming days.

GBP: GBP/USD bears catch a breather around three-day low after marking the heaviest losses the previous day. UK PM Boris Johnson will meet European Commission Chief Ursula von der Leyen as October 15 deadline comes closer. Chatters over a two-week-long national lockdown gain momentum but rising UK Unemployment pushes Tories to rule out the close. BOE's Haldane, Fedspeak and risk news are extra catalysts to watch. GBP/USD struggles for a clear direction around 1.2935 while heading into Wednesday's London open. While the US dollar's broad run-up joined Brexit, coronavirus (COVID-19) woes to drag the quote down the previous day, traders await developments from the meeting between UK PM Johnson the European Union's (EU) Ursula von der Leyen

EUR: EUR/USD registers its biggest single-day loss since August. Weak inflation and coronavirus concerns undermine the common currency. Sustained risk-off may boost dollar demand and add to downside pressures. EUR/USD is sitting still near 1.1750 at press time, having suffered a 0.57% decline to 1.1743 on Tuesday – its biggest single-day percentage decline since Aug. 19.

INR: The rupee depreciated 7 paise and settled at 73.35 (provisional) against the US dollar on Tuesday tracking muted domestic equities and strengthening American currency. At the interbank forex market, the rupee opened on a weak note at 73.41, pared some losses and finally closed at 73.35 against the greenback, down 7 paise over its previous close of 73.28. During the session, the domestic unit touched an intra-day high of 73.32 and a low of 73.41 against the American currency.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.20	110.40			
GBP/KES	139.55	142.95	GBP/USD	1.2925	1.3055
EUR/KES	126.85	130.00	EUR/USD	1.1750	1.1805
INR/KES		1.5100	AUD/USD	0.7175	0.7195
			USD/INR	73.30	73.25
			Commodities		
			Gold	1897	1920
			Brent Crude	42.29	42.16

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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