

DAILY FOREX NEWSLETTER

Friday, 23rd October 2020

Local Markets:

The Kenyan Shilling was little changed on Thursday and traders said they expected it to weaken due to increased dollar demand from the energy sector importers.

Top News:

- Oil prices held on to gains made on the previous session on Friday, after Russian President Vladimir Putin indicated he would be prepared to extend record supply cuts in the face of the Covid-19 pandemic.
- Gold prices dipped on Friday, weighed by a stronger dollar, as investors kept a close watch on the final U.S. presidential election debate and sought further clarity on a coronavirus aid package.

International Markets

USD: The dollar was up on Friday morning in Asia, ending a tough week as it saw losses against the euro and its largest weekly drop against the yen in a month. U.S. President Donald Trump and Joe Biden participated in a restrained final presidential debate before the Nov. 3 presidential election earlier in the day. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.08% to 93.043. Although the dollar remained above Wednesday's seven-week low, it was down 0.7% for the week and remained in the bottom half of a months-long range.

GBP: GBP/USD weighed down by broad US dollar strength. Brexit talks resumed, differences on key issues still persist. Brexit, stimulus updates and key UK/US data in focus. GBP/USD is on a steady decline so far this Friday but holds above the 1.3050 level, as the US dollar remains broadly underpinned following the conclusion of the final Presidential election debate. The spot extends its retreat from six-week highs of 1.3178 into a second day, mainly pressured by the resurgent demand for the US dollar across its main peers. Despite some signs of progress in the US fiscal stimulus talks, the greenback drew bids on the back of upbeat US jobless claims and existing home sales data.

EUR: EUR/USD pulls back from weekly highs as the dollar sees broad-based recovery. Markets fear that additional US fiscal stimulus would bring Fed rate hikes forward. EUR/USD is facing selling pressure, with investors pricing a possibility of an early Federal Reserve (Fed) rate hike. The pair is currently trading at 1.1797, down over 80 pips from the high of 1.1881 reached Wednesday. Despite the pullback, the pair is still up 0.72% this week.

INR: The rupee on Friday opened 11 paise down at 73.65 against the greenback following strengthening dollar index. Forex analysts said that the local currency opened lower following reports that the Finance Ministry was working on another stimulus package to support the economy. More spending is likely to impact the overall fiscal picture and could dampen the overall sentiment of the market.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.35	110.55			
GBP/KES	141.20	144.70	GBP/USD	1.3065	1.3140
EUR/KES	127.60	130.80	EUR/USD	1.1805	1.1855
INR/KES		1.5110	AUD/USD	0.7115	0.7105
			USD/INR	73.55	73.60
			Commodities		
			Gold	1907	1916
			Brent Crude	42.29	41.55

T-Bills Rates:

Duration	Current	Previous
91 Days	6.589%	6.520%
182 Days	6.967%	6.909%
364 Days	7.840%	7.800%

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