

# DAILY FOREX NEWSLETTER

Friday, 02nd October 2020

## Local Markets:

The Kenya's shilling was stable on Thursday and its was expected to weaken due to importer dollar demand.

## Top News:

- U.S. stock futures dipped on Friday after President Donald Trump said he and his wife will quarantine after a close aide tested positive for the coronavirus.
- Oil prices fell nearly 1% on Friday, extending losses into a second day as rising production of crude comes amid a worsening COVID-19 pandemic which threatens to bring more restrictions on movement and consumption that will likely hit demand for fuel.

## International Markets

**USD:** The dollar drifted toward posting its softest week in more than a month on Friday, as revived hopes for a new U.S. stimulus package to boost the world's biggest economy had investors seeking out riskier currencies. Against a basket of six majors the dollar held near a one-month low in Asia and has slipped 0.9% this week, its largest weekly loss since late August.

**GBP:** GBP/USD tilts southwards following its U-turn from 1.2978. EU files legal case against the UK over IMB passage, Brexit talks in Brussels still controlled by differences. US policymakers jostle over stimulus ahead of the Nonfarm Payrolls. Closing announcements of final scheduled Brexit talks and the EU Summit will be the key. Despite bouncing off an intraday low of 1.2855, GBP/USD remains heavy around 1.2862, down 0.22% on a day, while heading into the London open on Friday.

**EUR:** EUR/USD drops 0.24%, tracking losses in the US stock futures. The S&P 500 futures decline on continued US fiscal impasse. The Eurozone CPI and US Nonfarm payrolls will be eyed by traders. Risk-averse moves in the US stock futures are again boding well for the US dollar and pushing EUR/USD lower.

**INR:** USD/INR's daily chart shows a bearish continuation pattern. Major moving average studies also indicate a negative setup. USD/INR is currently trading largely unchanged on the day at 73.23. The pair fell by nearly 0.5% on Thursday, violating the trendline connecting Sept. 1 and Sept. 18 low and signaling a resumption of the sell-off from the Aug. 20 high of 75.13. The breakdown is backed by a bearish crossover of the 100- and 200-day simple moving averages (SMA). The 50-day SMA is also trending south, indicating a bearish setup.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.40			
GBP/KES	138.65	142.50	GBP/USD	1.2885	1.2980
EUR/KES	126.00	129.85	EUR/USD	1.1730	1.1785
INR/KES		1.5050	AUD/USD	0.7165	0.7220
			USD/INR	73.10	73.13
			Commodities		
			Gold	1895	1892
			Brent Crude	40.42	42.33

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.400%	6.309%
182 Days	6.839%	6.773%
364 Days	7.744%	7.690%

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