

DAILY FOREX NEWSLETTER

Monday, 05th October 2020

Local Markets:

The Kenyan Shilling was a little changed on Friday and traders said it could weaken due to dollar demand from the energy sector and general goods importers.

Top News:

- Oil prices rose about 2% on Monday, lifted by comments from doctors for U.S. President Donald Trump suggesting he could be discharged from hospital as soon as Monday, just a few days after his positive test for COVID-19 sparked widespread alarm.
- Gold prices were little changed on Monday, as investors sought more clarity on developments in U.S. President Donald Trump's health after he tested positive for COVID-19 last week.

International Markets

USD: The dollar held tight ranges against its peers on Monday as investors awaited clarity on the health of U.S. President Donald Trump after he tested positive for the coronavirus, sending markets into safe-haven assets. Just weeks before the Nov. 3 election, Trump was flown to hospital for treatment for the coronavirus on Friday, adding another layer of uncertainty and market volatility as Trump's re-election campaign seeks to fend off Democratic challenger Joe Biden.

GBP: GBP/USD trims early-day gains after touching Friday's top of 1.2954. Fears of harsher lockdown in England, downbeat comments from UK Chancellor Sunak favor bears. Two more rounds of Brexit talks will be held as a final kick to avoid no-deal departure. US President Donald Trump sounds upbeat in the latest video, concerns over dexamethasone usage challenge bulls. GBP/USD drops to 1.2938, down 0.05% intraday, while heading into the London open on Monday. The Cable earlier surged to the exact high of 1.2954 flashed the previous day.

EUR: EUR/USD buoyant as President Trump's health news fuels a risk reset. Trump's coronavirus treatment suggests severe coronavirus conditions. Negative Eurozone inflation and ECB's easing bias could cap gains. While risk reset is pushing EUR/USD higher on Monday, significant gains may remain elusive, courtesy of expectations for additional European Central Bank (ECB) easing. EUR/USD is currently trading near 1.1730, representing a 0.15% gain on the day.

INR: Indian rupee is trading lower by 7 paise at 73.21 per dollar, amid buying seen in the domestic equity market. It opened marginally lower at 73.17 per dollar against Thursday close of 73.14. The market will be watching developments around the next round of US fiscal stimulus packages, without which the upbeat risk appetite may not be able to sustain for very long. We expect a near-term range of 73.20 to 74.50 on the rupee

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.40			
GBP/KES	139.65	143.10	GBP/USD	1.2945	1.2885
EUR/KES	126.65	129.75	EUR/USD	1.1740	1.1730
INR/KES		1.5060	AUD/USD	0.7185	0.7165
			USD/INR	73.05	73.10
			Commodities		
			Gold	1898	1895
			Brent Crude	40.28	40.42

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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