

# DAILY FOREX NEWSLETTER

Thursday, 08th October 2020

## Local Markets:

The Kenyan Shilling held steady on Wednesday and traders said the gradual loosening of the anti-coronavirus lockdown measures could fuel demand for dollars by manufacturers, putting pressure on the currency.

## Top News:

- Gold prices were steady on Thursday as renewed hopes for more U.S. stimulus kept the bullion afloat, with investors eyeing the weekly jobless claims data to further gauge the health of the world's largest economy.
- Oil prices rose on Thursday as oil workers evacuated rigs in the U.S. Gulf of Mexico ahead of Hurricane Delta, though fuel demand concerns persisted on fading chances for an economic stimulus deal in the United States, the world's biggest oil consumer.

## International Markets

**USD:** The safe-haven dollar and yen nursed losses on Thursday, after the revival of hopes for some U.S. spending improved investor sentiment and appetite for riskier currencies. A flurry of late-Tuesday tweets from President Donald Trump, after he cancelled talks with Democrats over coronavirus relief, suggested he was open to piecemeal spending measures. That lifted equity markets and commodity currencies and sank the safe-haven yen to a three-week low of 106.11 per dollar overnight. The dollar was weaker on most other majors.

**GBP:** GBP/USD keeps previous day's recovery moves from 1.2844. Pubs and restaurants in Northern England go off from next Monday with UK's 14,162 new daily cases of COVID-19. EU keeps hardstand on fisheries, Tories threaten to leave talks on October 15. BOE's Bailey will speak in an online panel discussion at the Single Resolution Board's annual conference. GBP/USD seesaws around intraday high, at 1.2929 now, while heading into Thursday's London open. The Cable extends Wednesday's rebound as the US dollar remains offered following the VP debate.

**EUR:** EUR/USD trades a touch firmer as risk-on keeps the dollar under pressure. A key technical indicator shows a bearish-to-bullish trend change. Rising coronavirus cases across Eurozone may cap the upside. EUR/USD looks north on renewed hopes for additional US fiscal stimulus. Technical indicators have also aligned in favor of the bulls; however, rising coronavirus cases across the Eurozone may cap gains in the common currency. The pair is currently trading near 1.1770, representing a 0.10% gain on the day.

**INR:** The rupee on Thursday opened 3 paise higher at 73.30 against the US dollar tracking gains in the domestic equity market. The local currency on Wednesday strengthened 13 paise after the dollar retraced against its major crosses. The RBI is expected to hold rates unchanged and maintain a dovish stance but importantly the central bank's stance on inflation will be important to watch and that could provide a trigger to the currency.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.30			
GBP/KES	139.60	143.10	GBP/USD	1.2945	1.2905
EUR/KES	127.00	130.20	EUR/USD	1.1780	1.1745
INR/KES		1.5050	AUD/USD	0.7160	0.7130
			USD/INR	73.20	73.40
			Commodities		
			Gold	1892	1890
			Brent Crude	42.16	42.04

## 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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