

# DAILY FOREX NEWSLETTER

Friday, 09th October 2020

## Local Markets:

The Kenyan Shilling was stable on Thursday with importer dollar demand matched by inflows from remittances and agricultural exports

## Top News:

- Gold prices rose 1% on Friday, supported by a weaker dollar and optimism over a new U.S. coronavirus relief package after President Donald Trump said talks with Congress had restarted.
- Oil was down on Friday morning in Asia, ending the week with a breather as a strike in major producer Norway threatens to slash the country's supply by up to 25%

## International Markets

**USD:** The dollar drifted toward a small weekly loss on Friday, while the Chinese yuan soared to a 17-month high, as investors wagered on a Joe Biden presidency and on more U.S. stimulus spending. The yuan's leap, when China's markets reopened after the Mid-Autumn break, was partly a catch-up since the offshore yuan has gained against a softening dollar during the week. But as it extended gains beyond 1%, its biggest daily jump in nearly two years, traders said it provided one of the clearest indications yet that Biden's lead in the polls is driving bets on a steadier Sino-U.S. relationship.

**GBP:** GBP/USD holds near session highs above 1.2950, flashing a three-day winning streak. The pair picked up bids mainly due to the US dollar (USD) weakness. Further upside, however, appears elusive amid looming Brexit concerns. All eyes on UK GDP and industrial figures for fresh impetus.

**EUR:** EUR/USD looks north as the dollar takes a beating against most currencies. Yuan's rally and risk-on action look to be weighing over the greenback. A continued rise in the US bond yields could stall the dollar sell-off. The currency pair is currently trading near 1.1777, representing a 0.17% gain on the day. The offshore Chinese yuan's (CNH) rise to a fresh 18-month high of 6.7022 looks to be powering the latest round of selling in the greenback. Apart from that, continued expectations for additional US fiscal stimulus and the resulting risk-on action in the global equities could be weighing over the safe-haven US dollar.

**INR:** The rupee strengthened by 9 paise to close at 73.24 against the US dollar on Thursday, supported by positive domestic equities and weak American currency. At the interbank forex market, the rupee traded in a narrow range. It opened at 73.29 against the American currency and gained further ground to finally settle at 73.24, up 9 paise from its previous close of 73.33.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.10	110.30			
GBP/KES	139.70	143.10	GBP/USD	1.2955	1.2945
EUR/KES	127.00	130.15	EUR/USD	1.1775	1.1780
INR/KES		1.5150	AUD/USD	0.7185	0.7160
			USD/INR	73.10	73.20
			Commodities		
			Gold	1913	1892
			Brent Crude	43.17	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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