

DAILY FOREX NEWSLETTER

Thursday, 29th October 2020

Local Markets:

The Kenyan Shilling was stable against the dollar on Wednesday as the market remained weary of any interventions by the central bank.

Top News:

- Gold was little changed on Thursday, trading near a one-month low hit in the previous session, as fears of the economic impact from a fresh wave of the novel coronavirus in Europe kept the dollar around a one-week high it hit on Wednesday.
- Oil prices rose in early trading on Thursday, regaining some of the ground lost in a 5% slump overnight, amid the prospect of tighter short-term supply with two-thirds of U.S. output shut in the Gulf of Mexico as Hurricane Zeta slammed Louisiana.

International Markets

USD: The dollar held gains against a basket of major currencies on Thursday as escalating coronavirus cases in Europe stoked fears across markets that fresh lockdowns would further hit the already fragile economic recovery. The safe-haven greenback steadied against a basket of six currencies at 93.41, taking a pause after its 0.3% gains in early trade. Concerns of further damage to the economic recovery grew as French President Emmanuel Macron and German Chancellor Angela Merkel ordered their countries back into lockdown on Wednesday, as a massive second wave of coronavirus cases threatened to overwhelm Europe.

GBP: GBP/USD bulls fighting back control, but upside looks elusive. UK lockdown fears mount, as coronavirus cases rise by 24,701. Some progress on Brexit talks reported, focus on US data. GBP/USD looks to regain ground above the 1.3000 level, holding onto the overnight recovery gains following a sharp drop to six-day lows of 1.2917. The cable witnessed good two-way business on Wednesday, having eroded over 150-pips in the European trading, as the coronavirus-induced lockdown fears triggered risk-aversion and bolstered the demand for the US dollar as a safe-haven.

EUR: EUR/USD holds support of the trendline rising from Sept. 25 lows. The ECB is expected to maintain status quo on Thursday. The euro may extend recent decline if the bank sets the stage for more stimulus in December. Having declined for the third straight day on Wednesday, EUR/USD is now taking a bear breather at key technical support.

INR: The rupee tumbled 18 paise against the US dollar to 74.06, its lowest level since August 27, amid weak domestic equity markets and a firm greenback. The Indian rupee opened at 74.05 against the dollar, down 17 paise from the previous close of 73.88. It slipped further to 74.06, the lowest since August 27.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.00	110.80			
GBP/KES	140.40	144.60	GBP/USD	1.3025	1.3050
EUR/KES	126.70	130.55	EUR/USD	1.1760	1.1790
INR/KES		1.5120	AUD/USD	0.7070	0.7160
			USD/INR	73.90	73.70
			Commodities		
			Gold	1882	1910
			Brent Crude	39.69	40.94

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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