

# DAILY FOREX NEWSLETTER

Friday, 30<sup>th</sup> October 2020

## Local Markets:

The Kenyan Shilling was firm against the dollar on Thursday.

## Top News:

- Gold prices lingered near the one-month low hit in the previous session on Friday, as the dollar strengthened and hopes of an immediate U.S. coronavirus aid package waned.
- Global oil prices edged up on Friday but are on track for a second monthly fall on growing concerns that the rise in COVID-19 cases in Europe and the United States could hurt fuel consumption.

## International Markets

**USD:** The dollar firmed on Friday and the euro wallowed near a four-week low against the greenback after the European Central Bank signaled further monetary easing by the end of the year. The euro's overnight decline helped lift the U.S. dollar near a four-week high against a basket of currencies. The ECB kept interest rates steady on Thursday but committed to contain the growing fallout from a second wave of coronavirus infections, saying it would hone its response by its December meeting, as widely expected by the market.

**GBP:** GBP/USD reverses pullback from the lowest in two weeks while easing from 1.2939. More than a dozen areas in the UK will have tougher activity restrictions, pressure mounts for national lockdown in England. IMF suggests easy money to Britain, Brexit talks keep dwindling around fisheries off late. GBP/USD declines to 1.2920 while heading into Friday's London open. The pair earlier tried to snap the two-day losing streak while bouncing off 1.2880 to 1.2939. Though, fears that the coronavirus (COVID-19) resurgence will recall the UK's national lockdown recently weigh on the quote.

**EUR:** EUR/USD regains some poise on broad-based US dollar losses. The greenback faces selling pressure despite losses in the S&P 500 futures. With markets focused on virus resurgence, the German GDP could be a non-event. EUR/USD is charting a recovery as the safe-haven demand for the dollar has weakened despite continued risk aversion in stock markets. The pair is currently trading at 1.1692, having hit a low of 1.1650 on Thursday. Markets last saw that level on Sept. 28. The dollar is losing ground across the board.

**INR:** The rupee continued its downward journey on Thursday, sliding another 23 paise to settle at 74.10 against the US dollar, tracking weak domestic equities and strong American currency amid global risk aversion. At the interbank forex market, the domestic unit opened weak at 74.02 against the greenback, then lost further ground and finally closed at 74.10 against the American currency, showing a fall of 23 paise over its previous close.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.90	110.80			
GBP/KES	130.10	143.40	GBP/USD	1.2910	1.3025
EUR/KES	125.80	129.80	EUR/USD	1.1685	1.1760
INR/KES		1.5240	AUD/USD	0.7030	0.7070
			USD/INR	73.30	73.90
			Commodities		
			Gold	1869	1882
			Brent Crude	37.74	39.69

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.653%	6.589%
182 Days	7.038%	6.967%
364 Days	7.933%	7.840%

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