

DAILY FX NEWSLETTER

03rd February 2020

Local Markets:

The Kenyan shilling was firm on Friday helped by inflows from offshore investors buying government debt amid thin dollar demand from the energy sector.

Top News:

- Oil prices extended declines on Monday, dragged down by worries about lower demand in the world's largest oil importer China following the coronavirus breakout.
- Gold eased on Monday after scaling a near four-week peak, as China's central bank injected liquidity into its markets to help support firms hit by a coronavirus epidemic, with a stronger dollar holding back bullion as well.

International Markets

USD: The dollar fell Friday, paced by losses against safe-haven currencies like the yen amid fears of a global pandemic as Chinese health authorities showed little sign they have a grip on the outbreak. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.41% to 97.25.

GBP: GBP/USD declines from multi-day top to 1.3165 while heading into the London open on Monday. The pair recently declined amid fears of hard Brexit while the US dollar's safe-haven demand also weighed on prices. Traders will now concentrate on the US/UK PMIs as well as the UK PM Boris Johnson's speech for fresh impulse. Though, updates concerning China's coronavirus could keep the driver's seat.

EUR: EUR/USD has snapped its longest weekly losing streak in 14 months. Comments by ECB's Lane have so far failed to put a bid under the EUR. The pair remains trapped in a bearish channel. EUR/USD eked out 0.61% gains last week, ending a four-week losing streak, which was the longest since November 2018. The preceding week's solid gain has so far failed to invite stronger buying pressure. The pair is currently trading at 1.1080, representing a 0.12% drop on the day, having faced rejection at 1.1095 during the Asian trading hours.

INR: The rupee on Monday opened 30 paise lower at 71.65 against the US dollar after the Union Budget disappointed market participants amid escalating fear related to the outbreak of coronavirus. Today, USDINR pair is expected to quote in the range of 71.50 and 72.05.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.10	100.70			
GBP/KES	131.75	132.70	GBP/USD	1.3175	1.3120
EUR/KES	110.85	111.80	EUR/USD	1.1094	1.1036
INR/KES		1.4210	AUD/USD	0.6714	0.6733
			USD/INR	71.44	71.37
			Commodities		
			Gold	1585	1571
			Brent Crude	56.48	58.37

T-Bills Rates:

Duration	Current	Previous
91 Days	7.296%	7.279%
182 Days	8.229%	8.212%
364 Days	9.879%	9.859%

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