

DAILY FX NEWSLETTER

10TH February 2020

Local Markets:

The Kenya shilling was stable on Friday and was forecast to trade in a narrow range amid subdued dollar demand from merchandise importers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.20	100.90			
GBP/KES	129.00	130.20	GBP/USD	1.2940	1.2950
EUR/KES	109.70	110.90	EUR/USD	1.0990	1.0992
INR/KES		1.4220	AUD/USD	0.6740	0.6731
			USD/INR	71.25	71.13
			Commodities		
			Gold	1571	1569
			Brent Crude	54.48	55.16

T-Bills Rates:

Duration	Current	Previous
91 Days	7.300%	7.296%
182 Days	8.248%	8.229%
364 Days	9.873%	9.879%

Top News:

- Asian shares pared early losses on Monday as Chinese authorities lifted some coronavirus-related restrictions on work and travel, helping businesses resume work though overall sentiment was still jittery as the death toll from the epidemic climbed
- Oil prices on Monday extended their decline from an early January peak above \$70 as the spectre of excess supplies loomed over the market after the spreading coronavirus outbreak hit demand in China, the world's largest oil importer

International Markets

USD: The U.S. dollar index slipped 0.1% to 98.505 ahead of an important testimony from Federal Reserve Chair Jerome Powell this week. Powell is scheduled to testify before the House Financial Services Committee at 10:00 AM ET on Tuesday. On Wednesday, he will appear in front of the Senate Banking Committee, also at 10 AM ET.

GBP: GBP/USD seesaws around 1.2900 while heading into the London open on Monday. While broad US dollar strength has been weighing on the pair off-late, expectations of a hard Brexit recently disappointed the Cable traders. The EU-UK war over fisheries has been the latest indicating that the sides won't agree over Brexit term while on a negotiating table during the early March. Adding to concerns was the UK Telegraph's report suggesting that the EU's negotiation mandate presented to EU ambassadors over the weekend signals that the Brexit talks will fall as early as this April.

EUR: EUR/USD fell for the fifth straight day on Friday, confirming its longest daily losing trend since the first half of November. The currency pair closed on a weaker note at 1.0944, forming a bearish marubozu candle on the daily chart. The greenback picked up a bid, as the US Nonfarm Payrolls data for January bettered estimates and investors poured money into the safe haven treasuries on account of coronavirus scare.

INR: The rupee on Monday opened 5 paise higher at 71.35 against the US dollar following some selling in the American currency by banks and exporters. The local currency weakened by 22 paise to settle at 71.40 against the greenback on Friday amid selling in domestic equities and strengthening of the American currency overseas.

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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