

DAILY FX NEWSLETTER

12TH February 2020

Local Markets:

The Kenyan shilling weakened on Monday due to increased dollar demand from merchandise importers and some multinational companies.

Top News:

- Gold was little changed on Wednesday, as equities rose after the number of new coronavirus cases fell, while uncertainty over the economic impact of the outbreak underpinned bullion.
- Oil prices climbed on Wednesday as China reported its lowest daily number of new coronavirus cases since late January, stoking investor hopes that fuel demand in the world's second-largest oil consumer may begin to recover from the epidemic.

International Markets

USD: The U.S. dollar, which has soaked up safe-haven flows as worries about the coronavirus coincided with data showing the U.S. economy's strength, handed back some gains. Asian currencies found support on Wednesday from a slowdown in the spread of coronavirus, but a strong dollar and caution about the rising death toll kept gains in check, while the New Zealand dollar jumped after the central bank dropped its easing bias.

GBP: GBP/USD registers modest changes, currently at 1.2960, while heading into the London open on Wednesday. The pair recently benefited from the US dollar pullback and improved fundamentals in the UK. However, the absence of fresh catalysts left traders by the press time. The pair registered gains on Tuesday even if the UK data dump and BOE's Carney failed to provide any clear direction to the British central bank's future moves.

EUR: EUR/USD is holding above 1.09, having found takers below the psychological support on Tuesday. The EUR and most other currencies gained ground against the US dollar during the North American session as Federal Reserve's Chairman Jerome Powell downplayed the coronavirus impact on the US economy, fueling a move higher in the equities. The risk sentiment was also boosted by Chinese President Xi's comments that his country would win the battle against the virus and be more prosperous afterward.

INR: USD/INR extends losses, currently around 71.21, -0.10%, as the Indian markets open for trading on Wednesday. The pair recently takes clues from optimism in Asia while paying a little heed to the strong US dollar. In addition to receding cases of coronavirus infections in China, the global rating agency Moody's statements also strengthened the INR. Coronavirus outbreak in China is expected to have a minimal impact on the Indian ports its rates due to low China-related throughput they handle.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.35	101.00			
GBP/KES	130.10	131.05	GBP/USD	1.2976	1.2940
EUR/KES	109.45	110.35	EUR/USD	1.0924	1.0990
INR/KES		1.4300	AUD/USD	0.6745	0.6740
			USD/INR	71.13	71.25
			Commodities		
			Gold	1569	1571
			Brent Crude	54.98	54.48

T-Bills Rates:

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

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