

DAILY FX NEWSLETTER

13TH February 2020

Local Markets:

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

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.35	100.95			
GBP/KES	129.90	130.85	GBP/USD	1.2960	1.2976
EUR/KES	109.00	109.95	EUR/USD	1.0882	1.0924
INR/KES		1.4250	AUD/USD	0.6720	0.6745
			USD/INR	71.38	71.13
			Commodities		
			Gold	1576	1569
			Brent Crude	55.71	54.98

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:

- Oil prices rose for a third day on expectations that major producers are likely to enact deeper output cuts to offset the slump in demand caused by the coronavirus outbreak in China, the world's second-largest crude consumer.
- Gold rose on Thursday as a surge in the number of new coronavirus cases in China dashed hopes that the epidemic was slowing and drove investors to safe-haven assets.

International Markets

USD: The U.S. dollar was unchanged on Thursday in Asia following Federal Reserve Chairman Jerome Powell's second day of testimony on Capitol Hill. Sentiment for the greenback has turned positive since data last week showed the U.S. labor market is improving. In his second day of testimony, Powell suggested that there was little reason for the Fed to cut rates as the economy remained in a good place, despite the recent coronavirus outbreak.

GBP: GBP/USD nears the intra-day low of 1.2948 while making rounds to 1.2951 during the pre-London open session on Thursday. While pessimism surrounding Brexit and UK's political drama have recently weighed on the quote, fresh risk of coronavirus seems to be the latest one to drag the pair to the south. Not only the European Parliament's resolution to push the UK towards the EU laws but the UK policymakers' accusations on Brussels also signal a tough start to the Brexit talks during the early March

EUR: EUR/USD has dropped to 33-month lows on dovish European Central Bank (ECB) expectations. The pair is currently trading near 1.0865 – the lowest level since May 2017 reached on Wednesday. Eurozone's industrial output suffered its steepest drop in four years in December, the official data released on Wednesday showed. Further, German manufacturing recession looks far from over with factory orders falling by 2.1% in December.

INR: USD/INR trades 0.20% positive to 71.43 ahead of the European session on Thursday. In doing so, the quote carries its pullback from the ascending trend line stretched since July 2019. However, a downward sloping trend line from early-January, at 71.52 now, guards the immediate upside. Should prices manage to cross 71.52, for which MACD and RSI are both in favor, January 30 top near 71.86 and the yearly high around 72.57 will sooner or later return to the charts.

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