

## DAILY FX NEWSLETTER

14<sup>TH</sup> February 2020

### Local Markets:

The Kenyan shilling was stable on Thursday and was forecast to trade in a narrow range amid some dollar demand from the energy sector.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	100.35	100.95			
<b>GBP/KES</b>	130.80	131.85	<b>GBP/USD</b>	1.3054	1.2960
<b>EUR/KES</b>	108.60	109.65	<b>EUR/USD</b>	1.0847	1.0882
<b>INR/KES</b>		1.4275	<b>AUD/USD</b>	0.6728	0.6720
			<b>USD/INR</b>	71.27	71.38
			<b>Commodities</b>		
			<b>Gold</b>	1578	1576
			<b>Brent Crude</b>	56.38	55.71

### T-Bills Rates:

Duration	Current	Previous
91 Days	7.314%	7.300%
182 Days	8.258%	8.248%
364 Days	9.850%	9.873%

### Top News:

- Oil prices were steady on Friday but set for their first weekly gain in six weeks on the assumption that major producers will implement deeper output cuts to offset slowing demand in China caused by the coronavirus epidemic.
- Gold eased from an over one-week peak on Friday as risk sentiment improved on hopes of global measures to soften the impact of the coronavirus outbreak, but a surge in new cases capped bullion's losses and kept it on track for a weekly gain.

### International Markets

**USD:** The U.S. dollar edged higher Thursday, supported by firmer U.S. inflation data, but a rise in the pound and yen kept gains in check. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.06% to 98.98.

**GBP:** GBP/USD seesaws near 1.3050 ahead of the London open on Friday. In doing so, the cable traders catch a breath after a heavy run-up marked during the previous day. The reason could be attributed to the UK's Finance Minister Sajid Javid's surprise resignation. The Chancellor cited the UK PM Boris Johnson's push to fire the team as a reason for leaving the post. Following his resignation, Rishi Sunak will lead the team and is known to have the Tory leader's support due to bias towards further spending.

**EUR:** EUR/USD breached support at 1.0839 a few minutes before press time and fell to 1.0827, the lowest levels since April 2017. The bearish trend looks quite strong with the weekly candle carrying little or no wicks, similar to last week's big bearish "marubozu" candle. That said, the 14-day relative strength index (RSI) is now reporting oversold conditions and the hourly chart RSI is printing higher lows, contradicting lower lows on price (bullish divergence).

**INR:** The rupee on Friday opened 3 paise higher at 71.30 against the US dollar following some selling in American currency by banks and exporters. The domestic unit continued to trade in a narrow range on Thursday but came under pressure in the latter half of the session following the release of weaker-than-expected economic data.

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