

DAILY FX NEWSLETTER

17TH February 2020

Local Markets:

The Kenyan shilling held stable on Friday with inflows from offshore investors buying government bonds meeting dollar demand from importers.

Top News:

- Oil prices rose on Friday, on track for their first weekly gain since early January as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to tackle any slowdown.
- Gold prices rose to the highest in more than one week on Friday and posted a weekly gain, as investors bet on the safe-haven metal to hedge against the economic impact of the coronavirus outbreak.

International Markets

USD: The US Dollar had a mixed week against its major counterparts while seeing cautious upside progress against some of its ASEAN counterparts. The Singapore Dollar fared the worst, as expected, in the aftermath of dovish commentary from the Monetary Authority of Singapore. Against the Philippine Peso, the Greenback underperformed but USD/PHP largely remained in its persistent consolidation mode.

GBP: GBP/USD stays modestly weak around 1.3045/50 while heading into the London open on Monday. While pessimism surrounding the upcoming Brexit, talks have been weighing over the pair, US dollar pullback and an absence of major catalysts keep the traders calm off-late. The UK diplomats continue to ignore the global events and raise speculations of being introvert after Brexit.

EUR: The bearish sentiment around the EUR/USD pair is currently at its strongest in eight months. Euro speculator positions have dropped by 10,000 in each of the last three weeks and totaled - 85,669 in the week ended Feb. 11. That is the most bearish net position since June 2019. Euro closed last week at 1.0829 to print its weakest weekly close since April 2017. Notably, the single currency produced a big red marubozu candle for the second straight week – a sign the sellers are in control

INR: The rupee on Monday opened 8 paise lower at 71.45 against the US dollar due to some buying in the American currency by banks and importers. Rupee continued to consolidate in a narrow range last week ahead of the important trade balance number that was released on Friday. Data showed India's trade deficit unexpectedly widened in January, as exports contracted for a sixth-straight month while the decline in imports eased.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.35	100.95			
GBP/KES	130.90	131.80	GBP/USD	1.3055	1.3054
EUR/KES	08.70	109.65	EUR/USD	1.0850	1.0847
INR/KES		1.4260	AUD/USD	0.6741	0.6728
			USD/INR	71.33	71.27
			Commodities		
			Gold	1585	1578
			Brent Crude	57.28	56.38

T-Bills Rates:

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

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