

## DAILY FX NEWSLETTER

18<sup>TH</sup> February 2020

### Local Markets:

The Kenyan shilling was stable on Monday supported by inflows from remittances and offshore investors amid dollar demand from importers.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	100.75	101.35			
<b>GBP/KES</b>	130.90	131.85	<b>GBP/USD</b>	1.3007	1.3055
<b>EUR/KES</b>	109.05	109.95	<b>EUR/USD</b>	1.0842	1.0850
<b>INR/KES</b>		1.4325	<b>AUD/USD</b>	0.6700	0.6741
			<b>USD/INR</b>	71.30	71.33
			<b>Commodities</b>		
			<b>Gold</b>	1588	1585
			<b>Brent Crude</b>	57.09	57.28

### 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:

- Gold rose to a two-week high on Tuesday, spurred by demand for safe-havens after iPhone maker Apple Inc's revenue warning underscored the financial fallout of the coronavirus epidemic in China.
- Oil prices slipped on Tuesday on lingering concerns over the economic impact of the coronavirus outbreak in China and its effect on oil demand, tracking losses in financial markets.

### International Markets

**USD:** The dollar's resilience is masking the yen's appreciation in times of risk aversion. There is no change to the yen's low-risk nature. But the changing composition of Japan's current-account surplus does mean that less money is being repatriated on a regular basis, reducing some of the upward pressure on the currency.

**GBP:** GBP/USD stays mildly negative around 1.2998 while heading into the London open on Tuesday. The pair recently dropped after the UK's Brexit negotiator David Frost propelled the odds of fierce trade negotiations between the European Union (EU) and Britain during the next month, also because of the US dollar's broad strength. Though, markets are now awaiting the key employment data from the UK for fresh impulse. The UK PM Johnson's Brexit aide and the key negotiator David Frost crossed wires, while speaking at the Université libre de Bruxelles, during the early Asian session.

**EUR:** EUR/USD hits a new 34-month low at 1.0823 in early Asia. Corrective bounce to remain limited, as technical set up favors bears. Focus on German ZEW, coronavirus updates for fresh impetuses. Despite the latest recovery attempt from a new 34-month of 1.0823 reached in early Asia, the sentiment around the EUR/USD pair remains undermined by the German economic growth concerns and broad-based US dollar strength.

**INR:** The rupee on Tuesday opened 13 paise down at 71.42 against the US dollar following buying in the American currency by banks and importers. The domestic unit on Monday opened on a flat note but gained marginally despite weakness in domestic equities. In the next couple of sessions, volatility could be confined to a narrow range following lack of cues on the domestic front.

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

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.