

DAILY FX NEWSLETTER

20TH February 2020

Local Markets:

The Kenyan shilling was under pressure on Wednesday due to increased dollar demand from merchandise importers and the energy sector.

Top News:

- Gold hits record high in EUR terms, surges 10% on a year-to-date basis. Daily chart RSI has violated the bearish divergence. A combination of gold price rally in the US dollar terms and a sell-off in EUR/USD has pushed the yellow metal to record highs in the single currency terms.

International Markets

USD: The U.S. dollar remained near three-year highs on Wednesday, underpinned by better-than-expected economic data. The greenback had a muted reaction to the minutes of the Federal Reserve January meeting, which suggesting interest rates will likely be on hold for a time. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, rose by 0.23% to 99.52, touching its highest level since May 2017.

GBP: GBP/USD drops to seven-day lows. UK's new immigration plan, the Canada-styled deal with the EU spice-up the EU-UK tussle off-late. The US dollar remains on the front foot amid fresh risk-off, positive fundamentals. US Philadelphia Fed Manufacturing Survey, Chinese headlines will also be the key. GBP/USD drops to 1.2910 while heading into the London open on Thursday. The EU-UK tussle over post-Brexit trade deal as well as broad US dollar strength recently dragged the quote to the lowest in seven days.

EUR: EUR/USD remains firmly in bear grip with the 50-hour average capping upside in Asia. A big beat on the forward-looking German GfK Consumer Confidence is needed to stall the sell-off. EUR/USD is feeling the pull of gravity while heading into the London open. The currency pair is currently trading just below 1.08, having hit a high of 1.0815 in Asia.

INR: USD/INR registers a three-day winning streak. Normal RSI, higher high favors the bulls. Sellers will look for entry below the five-week-old rising support line. USD/INR gains 0.08% during the early Indian session on Thursday. The pair manages to portray a higher high formation while trading near the highest in six weeks. Also adding strength to the upside momentum is normal conditions of the RSI as well as the sustained rise beyond the key supports.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.00	101.60			
GBP/KES	130.40	131.30	GBP/USD	1.2935	1.3012
EUR/KES	108.80	109.85	EUR/USD	1.0810	1.0808
INR/KES		1.4265	AUD/USD	0.6670	0.6703
			USD/INR	71.58	71.66
			Commodities		
			Gold	1610	1605
			Brent Crude	59.30	58.24

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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