

DAILY FX NEWSLETTER

24th February 2020

Local Markets:

The Kenyan shilling was seen easing on Friday due to up-tick in end month dollar demand from merchandise importers and the energy sector.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.90	101.50			
GBP/KES	130.55	131.50	GBP/USD	1.2951	1.2908
EUR/KES	109.10	110.05	EUR/USD	1.0831	1.0804
INR/KES		1.4270	AUD/USD	0.6611	0.6610
			USD/INR	71.70	71.71
			Commodities		
			Gold	1663	1630
			Brent Crude	56.55	58.78

T-Bills Rates:

Duration	Current	Previous
91 Days	7.319%	7.314%
182 Days	8.258%	8.258%
364 Days	9.799%	9.850%

Top News:

- Oil prices tumbled nearly 3% towards a one-week low on Monday as the rapid spread of the coronavirus in several countries outside China left investors fretting about a hit to demand.
- Gold prices climbed more than 2% on Monday to their highest since February 2013, as a spike in coronavirus cases in several countries outside China heightened worries about a hit to global economic growth, prompting a flight to safe havens.

International Markets

USD: Asian currencies slid on Monday as the rapid spread of the coronavirus outside China drove fears of a pandemic and sent investors flocking to gold and the dollar for safety. Italy, South Korea and Iran posted sharp rises in infections over the weekend. South Korea now has more than 760 cases, Italy more than 150 and Iran 43 cases.

GBP: GBP/USD declines 0.20% to 1.2940 while heading into the London open on Monday. In doing so, the pair fails to hold onto Friday's gains amid worries concerning Brexit deal between the EU and the UK. Also contributing to the pair's weakness could be the US dollar's recovery. In addition to the UK PM Boris Johnson's push to the EU over fisheries, The Times came out with the news that British diplomats are secretly preparing to evade goods' checks at the Northern Ireland Sea.

EUR: EUR/USD is on the offer as coronavirus is spreading in Italy. The bulls need a better-than-expected German IFO reading. The selling interest around the single currency is looking to gather steam amid reports stating a rise in the number of coronavirus cases in the north of Italy. The common currency is currently flashing red at 1.0822, having opened the week well below the 200-hour moving average (HMA) at 1.0834. The number of coronavirus cases in Italy's Lombardy region jumped to 89 on Sunday from 54, leaving the country with 150 confirmed infection – the highest in Europe and about five times that of Germany.

INR: USD/INR declines to 71.85 amid the initial Indian session on Monday. The pair recently took a U-turn from the highest levels since January 08 after flashing Doji candlestick on Friday. With this, sellers are now targeting 61.8% and 50% Fibonacci retracements of September-December 2019 declines, respectively around 71.73 and 71.45, during further downside.

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