

## DAILY FX NEWSLETTER

### 27<sup>th</sup> February 2020

#### **Local Markets:**

The Kenyan shilling firmed on Wednesday with inflows from offshore investors buying government debt helping meet end-month dollar demand from the energy sector.

#### **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	100.60	101.20			
<b>GBP/KES</b>	130.10	131.05	<b>GBP/USD</b>	1.2945	1.3005
<b>EUR/KES</b>	109.70	110.65	<b>EUR/USD</b>	1.0924	1.0885
<b>INR/KES</b>		1.4260	<b>AUD/USD</b>	0.6567	0.6605
			<b>USD/INR</b>	71.53	71.66
			<b>Commodities</b>		
			<b>Gold</b>	1652	1646
			<b>Brent Crude</b>	52.11	54.52

#### **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:**

- Gold rose on Thursday as the rapid spread of the coronavirus outside China fueled demand for safe-haven assets and triggered hopes of interest rate cuts by major global central banks.
- Oil prices fell for a fifth day on Thursday to their lowest since January 2019 as a growing number of new coronavirus cases outside of China fueled fears of a pandemic which could slow the global economy and lower crude demand.

#### **International Markets**

**USD:** The dollar held gains against the yen on Thursday as growing fears that a coronavirus outbreak is turning into a pandemic drove investors to the safety of U.S. Treasuries. The dollar also traded near a three-month high versus the pound due to worries Britain's trade talks with the European Union were stalling and dashed expectations for big fiscal spending.

**GBP:** GBP/USD bounces 23 pips, or 0.18%, off to 1.2932 while heading into the London open on Thursday. While the broad US dollar weakness is likely behind the latest pullback of the pair, the Cable traders await the mandate of the UK's post-Brexit trade talks with the EU that will begin the next week. The USD fails to hold onto the recovery gains marked Wednesday as broad declines of the US treasury yields, and stocks push markets off the greenback.

**EUR:** EUR/USD is on the rise but struggling to take out Wednesday's high. The bulls need to invalidate Wednesday's doji candle to invite stronger buying pressure. Coronavirus has hit the US shores and could keep the dollar on the defensive.

Euro to take cues from the Eurozone consumer and industrial confidence data. EUR/USD is flashing green ahead of the London open. The currency pair is currently trading just above 1.09, representing 0.22% gains on the day, having hit a low of 1.0876 in Asia.

**INR:** USD/IDR rise to the highest since early December 2019 while taking the bids to 14,080, up 0.81%, during early Thursday. The pair recently benefited from the global doubts over how Indonesian can have no coronavirus cases despite being near to China. Also contributing to the pair's upside is flooding in Jakarta and broad risk-off. Although none of the 132 Indonesian lab tests came out as positive for coronavirus, Sydney Morning Herald joins the diplomatic community in Indonesia to doubt the government's positive front.

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