

DAILY FX NEWSLETTER 10TH March 2020

Local Markets:

The Kenyan shilling weakened on Monday due to dollar demand from commercial banks beefing up their foreign reserves outweighing inflows from diaspora remittances.

Top News:

- Gold prices fell 1% on Tuesday, retreating from the previous session's 7-year high as U.S. President Donald Trump's pledge to take steps to cushion the economy from the coronavirus eased some worries about the growth outlook and lifted the dollar.
- Oil prices jumped in the afternoon of Asian trading hours on Tuesday following Monday's more than 20% plunge, which saw US. West Texas Intermediate crude and international benchmark Brent crude post their worst declines since 1991.

International Markets

USD: The dollar recovered slightly on Tuesday from heavy losses against the yen, the euro and the Swiss franc, supported by hopes for U.S. economic stimulus and a bounce in Treasury yields. The greenback started to grind higher as U.S. stock futures rose after U.S. President Donald Trump said the White House will hold a news conference on Tuesday about economic measures in response to the coronavirus outbreak.

GBP: GBP/USD snaps five-day winning streak, reverses from early-February tops. Fresh calls to delay Brexit deadline, alter the UK's approach weigh on the Cable. Risk-tone recovers amid global policymakers' efforts to counter virus implications, China opens Wuhan for travelers GBP/USD fails to keep the bids beyond five-week top while declining to 1.3070, down 0.45%, ahead of the London open on Tuesday.

EUR: EUR/USD extends the Asian retreat below the 1.1400 level into early European trading, as the US dollar recovery gathers steam across the board, with bears now targeting 1.1300 ahead of the Eurozone GDP release. The risk recovery remains the key theme in Asia this Tuesday, as market mood improves amid a relief rally seen in the US Treasury yields and S&P 500 futures that mainly lifted the greenback broadly higher from the lowest level since September 2018 reached on Monday at 94.66.

INR: Indian stocks plunged 5% on Monday, causing the biggest wealth destruction in one day in five years, as markets tumbled across the world. A collapse in oil prices threatened to exacerbate the turmoil in the global economy, already weighed down by uncertainties over the impact of Covid-19 on growth. Bonds and the rupee also slid. Indian markets will be shut Tuesday for trading on account of Holi.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	102.50	103.30			
GBP/KES	133.60	134.75	GBP/USD	1.3050	1.3062
EUR/KES	116.25	117.40	EUR/USD	1.1365	1.1405
INR/KES		1.4045	AUD/USD	0.6562	0.6547
			USD/INR	74.14	73.95
			Commodities		
			Gold	1659	1661
			Brent Crude	37.14	32.77

T-Bills Rates:

Duration	Current	Previous
91 Days	7.31%	7.315%
182 Days	8.186%	8.235%
364 Days	9.312%	9.500%

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