

## DAILY FX NEWSLETTER

### 11<sup>TH</sup> March 2020

#### **Local Markets:**

The Kenyan shilling held steady on Tuesday supported by easing appetite for dollars from commercial banks.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	102.20	103.00			
<b>GBP/KES</b>	132.20	133.35	<b>GBP/USD</b>	1.2944	1.3050
<b>EUR/KES</b>	115.90	117.00	<b>EUR/USD</b>	1.1355	1.1365
<b>INR/KES</b>		1.4055	<b>AUD/USD</b>	0.6514	0.6562
			<b>USD/INR</b>	73.87	74.14
			<b>Commodities</b>		
			<b>Gold</b>	1664	1659
			<b>Brent Crude</b>	37.92	37.14

#### **T-Bills Rates:**

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

#### **Top News:**

- Oil prices climbed for a second day on Wednesday, lifted by hopes that U.S. producers will cut output, but gains were limited compared with Monday's crash after Saudi Arabia and Russia triggered a price war.
- Gold prices rose on Wednesday after a steep fall in the previous session, as doubts about a stimulus package proposed by U.S. President Donald Trump to soften the economic impact of the coronavirus epidemic weighed on risk sentiment.

#### **International Markets**

**USD:** The dollar resumed its descent against the safe-haven Japanese yen and Swiss franc on Wednesday after a rebound the previous day as nervous sentiment over the coronavirus epidemic persisted. The moves mirrored falls in U.S. equity futures and U.S. bond yields in early trade in Asia on Wednesday, with most investors still on the sidelines even after risk assets made some recovery on Tuesday on hopes governments will take measures to ease the economic pain from the epidemic.

**GBP:** GBP/USD bounces back ahead of the key catalysts from the UK. Chancellor Rishi Sunak is expected to try various means to please Brexiteers amid coronavirus fears. The EU-UK jitters continue with the bloc's policymakers lagging in the preparations. With the US dollar paring back its previous gains amid fresh risk-off, GBP/USD recovers 0.10% of Tuesday's losses to 1.2925 while heading into the London open on Wednesday. While the US dollar index is marking losses after the stellar performance of the previous day, the British Pound buyers await key UK data and first budget after Brexit for fresh impulse.

**EUR:** EUR/USD benefits from weakness in USD, Treasury yields. Growing coronavirus cases and US stimulus doubts dent risk. Virus updates, USD dynamics to lead the way ahead of US CPI. EUR/USD jumps back on the bids and looks to retest the 1.1350 level amid unabated broad-based US dollar selling, as we progress towards the European opening bells, having stalled its corrective slide at 1.1275.

**INR:** The rupee opened 22 paise higher at 73.86 against the US dollar on Wednesday following some selling in the American currency by banks and exporters. The local currency slipped over 30 paise against the greenback on Monday after the global financial market meltdown signaled that the world is staring at a coronavirus-led economic recession.

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