

DAILY FX NEWSLETTER

12TH March 2020

Local Markets:

The Kenyan shilling strengthened on Wednesday supported by dollar inflows from non-governmental organizations amid subdued buying activity from merchandise importers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	102.10	102.90			
GBP/KES	130.50	131.80	GBP/USD	1.2850	1.2944
EUR/KES	115.00	116.40	EUR/USD	1.1345	1.1355
INR/KES		1.4000	AUD/USD	0.6490	0.6514
			USD/INR	73.80	73.87
			Commodities		
			Gold	1635	1664
			Brent Crude	34.00	37.92

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:

- Global shares crumbled on Thursday after U.S. President Donald Trump stunned investors by announcing a temporary travel ban from Europe in an effort to curb the spread of the coronavirus, threatening more disruptions to businesses and the world economy.
- Oil prices sank again on Thursday along with the broader market after the United States banned travel from Europe following a World Health Organization declaration that the coronavirus outbreak is now a pandemic.

International Markets

USD: The dollar careened against the euro and yen on Thursday after U.S. President Donald Trump rattled markets with a month-long ban on European travel to the United States. The dollar fell 1% to 103.32 yen and 0.5% to \$1.1328 against the euro. The safe haven Swiss franc rose 0.6%. The Australian dollar fell 0.4% to \$0.6580. Trump on Wednesday suspended all travel from Europe to the United States for 30 days starting on Friday in order to fight the coronavirus.

GBP: GBP/USD trades with modest losses. Doubts upon the further EU-UK talks remain elevated amid coronavirus fears. Cable traders await further measures by the Tory government after Wednesday's heavy stimulus.

EUR: EUR/USD is back above 1.13 amid risk-off mood in the global markets. Trump's coronavirus speech fell short of expectations and strengthened the demand for safe havens. With rates already below zero, the ECB has little room to deliver aggressive stimulus. Risk aversion is again boding well for the single currency.

INR: The Indian rupee slid to near a record low, beset by concerns over the fallout of the coronavirus outbreak and the impact of the seizure of Yes Bank by authorities. The rupee weakened as much as 1% to 74.3387 per dollar on Thursday to near its record low of 74.4825, a level last seen in October 2018. Sovereign bonds declined.

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