

DAILY FX NEWSLETTER

16TH March 2020

Local Markets:

The Kenya shilling was unchanged against the dollar supported by inflows from non-governmental organizations and offshore investors buying government debt.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	102.50	103.30			
GBP/KES	126.40	127.60	GBP/USD	1.2345	1.2553
EUR/KES	113.90	115.10	EUR/USD	1.1130	1.1216
INR/KES		1.4060	AUD/USD	0.6172	0.6319
			USD/INR	74.04	73.92
			Commodities		
			Gold	1540	1587
			Brent Crude	32.58	33.87

T-Bills Rates:

Duration	Current	Previous
91 Days	7.313%	7.310%
182 Days	8.104%	8.186%
364 Days	9.100%	9.312%

Top News:

- Gold prices jumped in early trade on Monday after another emergency rate cut by the U.S. Federal Reserve, before paring gains as some investors sold the metal for cash amid a sell-off in equities.
- Oil extended losses on Monday as an emergency rate cut by the U.S. Federal Reserve failed to soothe global financial markets panicked by the rapid spread of the coronavirus while a price war rages on between top producers.

International Markets

USD: The dollar fell against a broad range of currencies on Monday after the U.S. Federal Reserve made another surprise interest rate cut and major central banks took steps to relieve a shortage of dollars in financial markets. Five other central banks also cut pricing on their swap lines to make it easier to provide dollars to their financial institutions facing stress in credit markets. The moves come as policymakers respond to a brutal months-long sell-off in financial markets due to worries about the economic impact of the global spread of the coronavirus.

GBP: GBP/USD bounces off five-month low as USD bears cheer Fed's surprise action. The US Federal Reserve announced rate cuts, QE. Global central banks unite to counter COVID-19. UK PM Johnson to hold a daily press conference on the outbreak. With the Fed's surprise action recalling the US dollar bears, GBP/USD bounces off five-month low to 1.2340, up 0.50%, while heading into the London open on Monday.

EUR: EUR/USD stalls corrective slide near 1.1085, as USD weakness persists. DXY, Treasury yields dumped on surprise Fed rate cut to zero. Next of relevance remains the G7 and EU coronavirus response. EUR/USD is back on the 1.1100 level, defending minor gains amid a stalled rebound in the US dollar across the board, as the US Federal Reserve's (Fed) unexpected rate cut continues to keep the dollar bulls at bay.

INR: The rupee on Monday opened 17 paise down at 74.08 against the US dollar after the Federal Reserve cut interest rates to near zero per cent in an emergency move amid the economic impact of the coronavirus outbreak for the second time in less than two weeks on Sunday, reducing to a target range of 0-0.25 per cent. There have been no major updates from the RBI.

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