

## DAILY FX NEWSLETTER

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

#### **Local Markets:**

The Kenyan shilling inched down on Tuesday against the dollar as worries about the potential impact of the COVID-19 pandemic continued to weigh on the market.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	103.40	104.20			
<b>GBP/KES</b>	125.15	126.30	<b>GBP/USD</b>	1.2116	1.2251
<b>EUR/KES</b>	114.10	115.25	<b>EUR/USD</b>	1.1052	1.1162
<b>INR/KES</b>		1.4180	<b>AUD/USD</b>	0.6026	0.6104
			<b>USD/INR</b>	74.06	73.85
			<b>Commodities</b>		
			<b>Gold</b>	1525	1497
			<b>Brent Crude</b>	28.78	30.60

#### **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:**

- Oil prices steadied early on Wednesday after sliding to their lowest in four years, sapped by fears for fuel demand and the global economy amid travel and social lockdowns triggered by the coronavirus epidemic in a number of countries around the world.
- Gold prices rose on Wednesday as the U.S. Federal Reserve's measures to boost liquidity in the market eased some concerns over disruptions to the global economy and a potential cash crunch due to the coronavirus outbreak.

#### **International Markets**

**USD:** The dollar held overnight gains against most major currencies on Wednesday, after U.S. yields jumped and as deepening fear around the coronavirus drove a scramble for greenback. The yen rose against the U.S. dollar on Wednesday in Asia after data showed Japan's exports in February slid. Meanwhile, the U.S. dollar index lost 0.3% to 99.540. Risk appetite resumed amid a rally on Wall Street after reports said the Trump administration is considering a plan that could amount to as much as \$1.2 trillion in spending.

**GBP:** GBP/USD benefits from the US dollar's broad correction after the heavy run-up. Coronavirus cases in the UK rally to 71, £330 billion aid considered a large sticking-plaster. EU-UK trade talks canceled, for now, likely delaying the Brexit deadline. Given the US dollar bulls catching a breath after the greenback's spectacular rise the previous day, GBP/USD recovers 0.47% from its multi-week low to 1.2115 while heading into the London open on Wednesday.

**EUR:** EUR/USD is on the rise with US stock futures flashing red. Analysts expect the single currency to slide to 1.05 in the coming months. Risk reset looks likely and could weigh over the safe haven EUR. The single currency is looking to regain altitude lost on Tuesday with EUR/USD trading better bid near 1.1030 ahead of the London open. EUR/USD could suffer deeper losses in the near term as the Eurozone economy appears on track to enter a recession.

**INR:** USD/INR bounces-off lows amid Indian growth downgrade. The spot ignores broad-based US dollar correction. Focus on US stimulus package amid coronavirus updates. The Indian rupee fails to sustain the opening gains against the US dollar, as USD/INR jumps back above the 74 handle amid bearish India's fundamentals, as coronavirus spreads.

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