

## DAILY FX NEWSLETTER 16<sup>th</sup> APRIL 2020

### **Local Markets:**

The Kenyan shilling was stable on Wednesday amid slow trading activity with market players eyeing potential dollar inflows from non-governmental organizations to offer support against importer demand.

### **Top News:**

- Oil rose on Thursday, with U.S. crude rebounding from near-20-year lows in the previous session on hopes that a big build-up in U.S. inventories may mean producers have little option but to deepen output cuts as the coronavirus pandemic ravages demand.
- Gold prices edged lower on Thursday as the dollar firmed and investors booked profits, but losses were capped as dour retail sales and manufacturing data out of the United States heightened fears of a steep global recession due to the new coronavirus.

**USD:** A flight to safety bid pushed the dollar higher against its peers on Thursday after dire retail and factory data showed the severity of the collapse in U.S. economic activity caused by the novel coronavirus outbreak. U.S. data showing retail sales fell 8.7% in March, the biggest decline since tracking began in 1992, underlined fears that damage to the economy from the virus outbreak will be deep and protracted. Consumer spending accounts for more than two-thirds of U.S. economic activity.

**GBP:** GBP/USD registers two-day declines amid broad US dollar strength. Coronavirus crisis keeps risk-aversion in play, Brexit talks to resume from next week. US data, UK's review of social distancing measures in focus. GBP/USD remains heavy around 1.2480, down 0.32% on a day, while heading into the London open on Thursday. Like other major pairs, the Cable also portrays the broad greenback strength amid the coronavirus (COVID-19) crisis.

**EUR:** EUR/USD faded an overnight spike above the 200-hour MA in Asia. Risk-off continues to bode well for the US dollar, a global reserve currency. Eurozone's Industrial Production is forecasted to have contracted by 0.2% in February. Trump to announce new guidelines for reopening the economy on Thursday. After facing rejection at the 100-hour average hurdle during Wednesday's American trading hours, EUR/USD fell below the 200-hour average at 1.0896 in Asia and is now trading in the red near 1.0875.

**INR:** USD/INR remains on the front foot while refreshing the record high. Bearish MACD, nearly overbought RSI could trigger pullback from the upper bank of the Bollinger. After multiple attempts to take out the monthly ascending trend line, USD/INR refreshes the record high to 76.82, currently up 0.25% to 76.77, ahead of the European market open on Thursday.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.55	106.85			
<b>GBP/KES</b>	132.05	133.55	<b>GBP/USD</b>	1.2498	1.2600
<b>EUR/KES</b>	115.00	116.50	<b>EUR/USD</b>	1.0895	1.0975
<b>INR/KES</b>		1.4050	<b>AUD/USD</b>	0.6294	0.6395
			<b>USD/INR</b>	76.61	76.09
			<b>Commodities</b>		
			<b>Gold</b>	1745	1755
			<b>Brent Crude</b>	27.88	29.92

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

Duration	Current	Previous
91 Days	7.209%	7.220%
182 Days	8.106%	8.145%
364 Days	9.040%	9.049%

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