

DAILY FX NEWSLETTER

1ST APRIL 2020

Local Markets:

The Kenya Shilling weekend on Tuesday as some importers who entered contracts before the coronavirus disruption bought hard currencies to settle them.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	104.75	105.75			
GBP/KES	129.60	131.00	GBP/USD	1.2396	1.2354
EUR/KES	115.30	116.80	EUR/USD	1.1039	1.1028
INR/KES		1.4195	AUD/USD	0.6130	0.6210
			USD/INR	75.21	75.34
			Commodities		
			Gold	1599	1637
			Brent Crude	25.55	27.00

T-Bills Rates:

Duration	Current	Previous
91 Days	7.240%	7.275%
182 Days	8.118%	8.030%
364 Days	9.045%	9.051%

Top News:

- Gold rose on Wednesday as fears over a worsening coronavirus pandemic triggered a flight to safety, with expectations of further monetary easing by central banks adding support.
- Global crude oil prices slid further on Wednesday, following their biggest-ever quarterly and monthly losses, as a bigger-than-expected rise in U.S. inventories and a widening rift within OPEC heightened oversupply fears.

International Markets

USD: The dollar was a touch firmer on Wednesday, buoyed by its safe-haven status with the world staring at what is likely to be one of the worst economic contractions for decades as it locks down to fight the coronavirus pandemic. However, that still left the dollar beneath overnight highs against most majors and well below multi-year peaks made last month, before the Fed's pumped more dollars into the system to calm markets.

GBP: GBP/USD refrains to respect the previous day's pullback moves amid coronavirus-led pessimism. UK's death toll surges 27%, cases jump 14%, police pushed for strict lockdown. US data, virus headlines will be the key. Recently pressured due to the coronavirus (COVID-19), GBP/USD drops to 1.2380 while heading into the London open on Wednesday. With a 'shocking' 27% rise in the deaths due to the deadly virus, not to forget a 14% surge in the cases, the UK's policymakers are struggling to justify their efforts in taming the pandemic.

EUR: EUR/USD trades in the red ahead of German retail sales and manufacturing data. Tuesday's recovery from 1.0930 failed to inspire the bulls in Asia. Investors are likely to hold cash, preferably US dollars, amid the coronavirus-induced economic stalemate worldwide. EUR/USD remains on the offer while heading into the London open, as Tuesday's notable recovery from lows near 1.0930 failed to invite stronger buying pressure in Asia.

INR: SD/INR remains modestly changed as foreign investors marked selling rout in March. Indian markets registered the worst yearly performance since 2009. Coronavirus cases in India surge to 1,251, death toll above 32. Despite being choppy inside the 75.30/70 range, currently around 75.55, USD/INR remains on the bulls' radar during the pre-Europe session on Wednesday.

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