

DAILY FX NEWSLETTER 20th APRIL 2020

Local Markets:

The Kenyan shilling was stable on Friday but was seen easing due to dollar demand from oil and merchandise importers amid thin foreign currency inflows.

Top News:

- Gold prices fell to a more than one-week low on Monday as the dollar firmed and as investors remained optimistic that the U.S. economy might reopen soon from lockdowns that were enforced to contain the novel coronavirus' spread.
- U.S. crude prices plunged in the morning of Asian trading hours on Monday as traders continued to fret over a slump in demand due to the coronavirus pandemic, with one analyst describing the situation stateside as "quite dire."

International Markets

USD: The dollar found support on Monday and a rally in riskier currencies lost steam, as investors braced for more dire news on the fallout from the coronavirus and governments across the globe moved only cautiously toward an economic re-start. The week ahead brings U.S. monthly employment figures, eurozone survey indicators and quarterly growth in world-trade bellwether South Korea. None are likely to be easy reading.

GBP: GBP/USD fails to hold onto Friday's recovery gains. UK PM Johnson very cautious about easing lockdown, under fire for missing initial cobra meetings. A lack of medical supplies, doubts concerning the virus toll peak and Brexit keep the Cable heavy. US death toll rises, President Trump hints another aid package. GBP/USD drops 0.16% on a day to 1.2475 while heading into the London open on Monday.

EUR: EUR/USD could be on the verge of a bigger drop as Eurozone stands divided on corona bonds. A severe shock to Eurozone's growth could undermine the structure of the shared currency. EUR/USD is lacking a clear directional bias on Monday, having faced rejection at a crucial resistance on Friday. The currency pair is currently sidelined near 1.0860. The spot jumped 0.31% on Friday but failed to retake the trendline rising from March 23 and April 6 highs. At press time, the trendline resistance is located at 1.0897, which is also housing the 10-day average

INR: The rupee on Monday opened 6 paise lower at 76.46 against the US dollar due to some buying in American currency by banks and importers. The local currency on Friday had opened higher and strengthened further after the RBI governor's statement. The central bank cut reverse repo by 25 basis points to 3.75 per cent and hinted towards further rate cut.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.10	107.60			
GBP/KES	132.45	134.00	GBP/USD	1.2471	1.2505
EUR/KES	115.20	116.70	EUR/USD	1.0857	1.0880
INR/KES		1.4090	AUD/USD	0.6359	0.6373
			USD/INR	76.72	76.36
			Commodities		
			Gold	1696	1711
			Brent Crude	27.24	28.43

T-Bills Rates:

Duration	Current	Previous
91 Days	7.201%	7.209%
182 Days	8.089%	8.106%
364 Days	9.091%	9.040%

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