

DAILY FX NEWSLETTER

21st APRIL 2020

Local Markets:

The Kenyan shilling was unmoved on Monday but was seen easing due to weak dollar inflows from offshore investors and diaspora remittances due to the coronavirus economic slowdown.

Top News:

- Gold prices fell on Tuesday due to a stronger dollar, but losses were capped by reduced appetite for risk after U.S. crude oil futures plunged below zero for the first time in history in the previous session.
- U.S. crude oil futures plunged into negative territory for the first time ever on Monday, dragged by a supply glut and sagging demand due to the coronavirus pandemic, though they managed to scrape back into positive territory early Tuesday.

International Markets

USD: The dollar resumed its climb against currencies of oil producers on Tuesday, as investors remained skittish after a historic plunge in U.S. crude futures to below zero and shied away from risk even as the benchmark bounced back. Concerns about the health of North Korean leader Kim Jong Un following media reports that he was receiving treatment after undergoing a cardiovascular procedure also supported the dollar.

GBP: GBP/USD remains weak inside a three-day-old trading range. 100-HMA offers the intermediate resistance, 61.8% Fibonacci retracement adds to the support. GBP/USD drops to 1.2431 amid the early Asian session on Tuesday. Even so, the pair remains between the ranges established since last Thursday amid bearish MACD. As a result, the range support, also comprising 50% Fibonacci retracement of April 06-14 upside, around 1.2405, becomes the immediate rest-point to watch during the pair's further declines.

EUR: EUR/USD fell in Asia as markets sold risk. Markets focus on the negative effect of Monday's oil price crash. Dollar is likely to extend gains on risk-off mood. EUR/USD suffered losses in Asia and could continue to lose ground in Europe, as uncertainty triggered by Monday's oil price crash is likely to keep the US dollar better bid. The pair fell from 1.0870 to 1.0825 during the Asian trading hours as the American dollar gained ground across the board, especially against growth-linked antipodean currencies.

INR: USD/INR benefits from Monday's bullish Doji candlestick formation. Bollinger's upper band will take clues from the bearish MACD, overbought RSI to restrict the further advances. Sellers will look for entry below the mid-month lows. While taking clues from the previous day's bullish Doji, USD/INR rises 0.27% on a day to 76.78 during the initial hours of the Indian session on Tuesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.10	107.60			
GBP/KES	130.95	134.30	GBP/USD	1.2423	1.2471
EUR/KES	114.30	117.40	EUR/USD	1.0853	1.0857
INR/KES		1.4110	AUD/USD	0.6329	0.6359
			USD/INR	76.58	76.72
			Commodities		
			Gold	1704	1696
			Brent Crude	25.36	27.24

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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