

## DAILY FX NEWSLETTER 24<sup>TH</sup> APRIL 2020

### **Local Markets:**

The Kenyan shilling was stable against the dollar on Thursday as market activity remained low due to the COVID-19 pandemic.

### **Top News:**

- Oil prices rose on Friday, gaining further ground as some producers like Kuwait said they would move to cut output swiftly to try to counter the evaporation in global demand for fuels caused by the coronavirus pandemic.
- Gold eased on Friday as investors booked profits after a 1% rise in the previous session, but weak economic data from the United States and Europe due to the novel coronavirus kept bullion on track for a weekly gain.

### **International Markets**

**USD:** The dollar was headed for its best week since early April on Friday, as tumbling oil prices weighed on commodity currencies and division over Europe's emergency fund dragged on the euro. The dollar stands near a two-and-a-half week high against a basket of currencies and is 0.8% stronger for the week. It is up nearly 3% against the oil-sensitive Norwegian krone and about 1% on the euro.

**GBP:** GBP/USD remains below a one-week-old resistance line, 200-HMA. Pair's further weakness under the weekly low can challenge the month's bottom. GBP/USD remains modestly changed near 1.2350 amid the Asian session on Friday. That said, the pair stays below 200-HMA and a seven-day long falling trend line but inside a short-term rising trend channel. Hence, sellers will wait for a clear break below the channel's support, currently around 1.2330, before targeting the weekly bottom close to 1.2250/45.

**EUR:** EUR/USD remains pressured ahead of German IFO Business Expectations data. Buyers are likely to stay on the sideline until the EU clarifies the fiscal stimulus package. The single currency remains under pressure on Friday, keeping EUR/USD in the red near 1.0770 ahead of the closely watched German IFO Expectations released by the CESifo Group.

**INR:** USD/INR confirms multi-day-old rising wedge bearish technical pattern. 21-day SMA checks the sellers, 77.00 acts as near-term key resistance. While extending its break below the six-week-old rising trend line, USD/INR drops to 76.22, down 0.25% on a day, during the pre-European session on Thursday. In doing so, the pair confirms short-term rising wedge bearish formation.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	106.45	107.95			
<b>GBP/KES</b>	130.45	133.85	<b>GBP/USD</b>	1.2337	1.2372
<b>EUR/KES</b>	113.70	116.85	<b>EUR/USD</b>	1.0765	1.0838
<b>INR/KES</b>		1.4260	<b>AUD/USD</b>	0.6350	0.6343
			<b>USD/INR</b>	76.30	76.02
			<b>Commodities</b>		
			<b>Gold</b>	1745	1741
			<b>Brent Crude</b>	22.09	22.42

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

Duration	Current	Previous
91 Days	7.212%	7.201%
182 Days	8.121%	8.089%
364 Days	9.110%	9.091%

**For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2**

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.