

## DAILY FX NEWSLETTER

24<sup>th</sup> March 2020

### Local Markets:

The Kenyan shilling inched down against the dollar on Monday as investors continued to shun risky assets due to the coronavirus outbreak. CBK reduced the CBR to 7.25% from 8.25%, it also reduced the CRR from 5.25% to 4.25%.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	106.30	107.50			
<b>GBP/KES</b>	123.30	125.25	<b>GBP/USD</b>	1.1625	1.1707
<b>EUR/KES</b>	114.40	116.35	<b>EUR/USD</b>	1.0793	1.0459
<b>INR/KES</b>		1.4310	<b>AUD/USD</b>	0.5917	0.5780
			<b>USD/INR</b>	76.05	75.91
			<b>Commodities</b>		
			<b>Gold</b>	1585	1497
			<b>Brent Crude</b>	27.77	25.98

### T-Bills Rates:

Duration	Current	Previous
91 Days	7.275%	7.313%
182 Days	8.030%	8.104%
364 Days	9.051%	9.100%

### Top News:

- Gold prices rose on Tuesday, following a near 4% jump in the previous session after the U.S. Federal Reserve announced unprecedented measures to support an economy which is reeling from the coronavirus pandemic.
- Oil prices rose on Tuesday on hopes that the United States will reach a deal soon on a \$2 trillion coronavirus aid package which could blunt the economic impact of the outbreak and in turn support oil demand.

### International Markets

**USD:** The dollar slipped on Tuesday on signs tight funding conditions are easing slightly after the U.S. Federal Reserve pulled out all stops to supply much needed greenback liquidity. The Fed announced unlimited quantitative easing and programs to support credit markets on Monday in a drastic bid to backstop an economy reeling from emergency restrictions on commerce to fight the coronavirus.

**GBP:** GBP/USD benefits from the broad US dollar weakness. The UK PM announces the most stringent rules post World War II to tame the coronavirus after the death toll reached 335. US Senate nears the COVID-19 Bill while the Fed announced unlimited QE the previous day. The preliminary PMI data is likely to portray the first impressions of the deadly virus on the key activities. While benefiting from the broad US dollar weakness, GBP/USD registers 0.75% gains to 1.1635 while heading into the London open on Tuesday. The Cable seems to pay a little heed to domestic coronavirus (COVID-19) concerns amid the broad pullback in the greenback

**EUR:** Fed's open-ended easing is weighing over the US dollar. EUR/USD bounced in Asia and is trading near 1.08 at press time. Preliminary Eurozone PMI is likely to disappoint expectations. The anti-greenback sentiment triggered by the Federal Reserve's (Fed) open-ended asset purchase program is boding well for the single currency and helping EUR/USD gain altitude.

**INR:** USD/INR fails to sustain the record high near 77.85. Increased odds about the soonest release of US COVID-19 Bill pleased the risk-takers. With the rising expectations from the US COVID-19 Bill fueling trade sentiment in Asia, USD/INR steps back from the record top to 76.05, down 0.64% with intraday low of 76.01, amid the initial Indian trading session on Tuesday.

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