

## DAILY FX NEWSLETTER 28<sup>TH</sup> APRIL 2020

### **Local Markets:**

The Kenyan Shilling held steady on Monday but was seen easing against end month dollar demand from the energy and manufacturing sector.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	106.60	107.80			
<b>GBP/KES</b>	132.20	134.10	<b>GBP/USD</b>	1.2433	1.2452
<b>EUR/KES</b>	115.20	117.10	<b>EUR/USD</b>	1.0835	1.0864
<b>INR/KES</b>		1.4200	<b>AUD/USD</b>	0.6465	0.6468
			<b>USD/INR</b>	76.32	76.02
			<b>Commodities</b>		
			<b>Gold</b>	1707	1742
			<b>Brent Crude</b>	22.27	23.80

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

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

### **Top News:**

- Gold was down on Wednesday in Asia with some countries announcing the loosening of months-long COVID-19 lockdown measures. Some investors were positive that gold would continue to uphold its safe-haven reputation.
- Oil prices slumped again on Tuesday amid concern about dwindling crude storage capacity worldwide and fears that fuel demand may only recover slowly once countries ease curbs imposed on economic and social activity to combat the coronavirus pandemic.

### **International Markets**

**USD:** The dollar was up on Tuesday morning in Asia with more countries loosening strict lockdown measures put in place to curb the COVID-19 virus. The U.S. Dollar Index that tracks the greenback against a basket of other currencies slipped 0.09% to 100.185 clawed back its losses from the previous session with investors' increased risk appetite pushing the dollar up.

**GBP:** GBP/USD steps back from the weekly top. UK's death toll drops to the lowest since March 28 but fears of resurgence raise bars for easing lockdown restrictions. Allegations over the Tory government's mishandling of coronavirus keep flooding, UK PM Johnson back in the driver's seat. US dollar regains the bid amid increasing expectations of the world's largest economy's re-open. GBP/USD takes a U-turn from the weekly top, down 0.13% on a day to 1.2415, while heading into the London open on Tuesday.

**EUR:** EUR/USD is trapped in a narrow range of 1.0727 to 1.0860. A breakdown would expose the 2020 low of 1.0636. European governments have left the ECB alone in the fight against coronavirus. The EUR/USD bulls and the bears are fighting it out in the newfound trading range of 1.0727 to 1.0860. The pair formed a long-tailed candle on Friday, marking dip demand or bear failure at 1.0727. Meanwhile, the long upper wick attached to Monday's candle shows rejection or buyer fatigue at 1.0860.

**INR:** USD/INR fails to hold onto Friday's recovery gains. RBI announces a \$6.6 billion credit line facility for mutual funds. Total coronavirus cases in India rises to 26,496 with 824 deaths. In addition to the Asian session risk-on, USD/INR bears the burden of the RBI's latest favor for the mutual fund industry while declining to 76.34, down 0.09% on a day, amid the early Monday.

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