

## DAILY FX NEWSLETTER 29<sup>TH</sup> APRIL 2020

### **Local Markets:**

The Kenyan shilling lost some ground on Tuesday due to end-month dollar demand from oil importers and manufacturers.

### **Top News:**

- Gold prices edged higher on Wednesday as a weaker dollar eclipsed optimism stemming from some plans to ease coronavirus-led restrictions gradually, while investors awaited the U.S. Federal Reserve's policy decision later in the day.
- Oil prices jumped in the afternoon of Asian trading hours on Wednesday following a report that showed a smaller than expected crude inventory build stateside.

### **International Markets**

**USD:** The dollar was on the back foot on Wednesday as the slowing spread of the coronavirus and moves to re-open economies supported the investor mood, ahead of major central bank meetings. Cases of Covid-19, the respiratory illness caused by the virus, topped 1 million in the United States overnight but investor focus is now increasingly on plans to relax restrictions and restore a battered economy.

**GBP:** GBP/USD defies the previous day's weakness amid broad US dollar declines. A new strategy for testing and reporting UK's virus data will be up today amid doubts over the previous figure. EU sees Brexit talks 'at an impasse', Tories think deadline bias will push the bloc. US GDP, FOMC will decorate the calendar, virus/Brexit updates will be the key as well. GBP/USD cheers US dollar weakness while taking the bids to 1.2475, up 0.40% on a day, ahead of the London open on Wednesday.

**EUR:** EUR/USD is reversing Tuesday's losses on broad-based US dollar weakness. Risk-on in Asia weakened the haven demand for the dollar. Markets likely to be cautious ahead of Wednesday's Fed rate decision. Broad-based US dollar weakness seen at press time is keeping the EUR/USD above key support at 1.0809 and saving the day for the single currency bulls ahead of the all-important Federal Reserve (Fed) rate decision.

**INR:** USD/INR's momentum indicator shows a downward move is gathering pace. Stochastic, too, shows a bearish bias and suggests scope for a notable pullback. The path of least resistance for USD/INR appears to be on the downside, as a key indicator is reporting the strongest bearish bias since mid-December. The MACD histogram, a technical tool used to identify trend changes and trend strength, is printing a negative value of 0.1396, the lowest since Dec. 12.

### **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>	132.80	134.85	<b>GBP/USD</b>	1.2486	1.2433
<b>EUR/KES</b>	115.50	117.35	<b>EUR/USD</b>	1.0862	1.0835
<b>INR/KES</b>		1.4280	<b>AUD/USD</b>	0.6550	0.6465
			<b>USD/INR</b>	75.67	76.32
			<b>Commodities</b>		
			<b>Gold</b>	1725	1707
			<b>Brent Crude</b>	22.75	22.27

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

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

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