

DAILY FX NEWSLETTER

2nd APRIL 2020

Local Markets:

The Kenyan shilling was under pressure on Wednesday due to lackluster foreign currency inflows caused by the coronavirus-related disruptions to farm exports and tourism.

Top News:

- Crude oil futures surged on Thursday after U.S. President Donald Trump said he expected Saudi Arabia and Russia to reach a deal soon to end their oil price war and Russian President Vladimir Putin called for a solution to “challenging” oil markets.
- Gold prices edged lower on Thursday as the dollar held firm, while investors awaited key U.S. jobless data amid mounting signs of a recession due to the worsening coronavirus outbreak.

International Markets

USD: The dollar held gains on Thursday as investors rushed to the safety of the world’s most liquid currency given the massive disruption to global trade due to the coronavirus pandemic. The dollar index against a basket of major six currencies stood flat at 99.588 after a gain of 0.53% overnight as the U.S. currency advanced against most of its major peers.

GBP: GBP/USD alternates gains with losses. The UK’s coronavirus cases marked the record hike of 563 the previous day. Fitch Ratings has taken rating action on 18 UK banking groups. Amid a lack of fresh catalysts, GBP/USD keeps eyes on the coronavirus (COVID-19) clues while flashing mild gains of 0.10% to 1.2385 during the pre-London open on Thursday. In addition to the virus headlines, the US Jobless Claims will also be the key to follow.

EUR: EUR/USD extended the downside on Wednesday amidst declining open interest and volume, hinting at the likeliness that the idea of a deeper pullback could be running out of steam. That said, the next key support emerges at the Fibo retracement at 1.0814 ahead of the February’s low at 1.0777. Open interest in EUR futures markets went down by just 110 contracts on Thursday, reaching the second drop in a row according to flash readings from CME Group.

INR: USD/INR remains on the bulls’ radars amid broad US dollar strength. Coronavirus crisis takes a toll on the Indian economy, FPI registers record outflow. Indian markets are off due to Ram Navmi, US Jobless Claims to get more attention. Despite the broad US dollar strength, amid off in India, USD/INR slips back a bit to 76.12, down 0.60%, during the pre-Europe session on Thursday. The US dollar seems to retrace its strength amid the coronavirus (COVID-19) pandemic that pushed global central bankers to even dump the US Treasury bonds.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.20	106.20			
GBP/KES	130.30	131.85	GBP/USD	1.2425	1.2396
EUR/KES	114.75	116.45	EUR/USD	1.0959	1.1039
INR/KES		1.4055	AUD/USD	0.6110	0.6130
			USD/INR	76.29	75.21
			Commodities		
			Gold	1600	1599
			Brent Crude	26.83	25.55

T-Bills Rates:

Duration	Current	Previous
91 Days	7.240%	7.275%
182 Days	8.118%	8.030%
364 Days	9.045%	9.051%

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