

DAILY FX NEWSLETTER

30th March 2020

Local Markets:

The Kenyan shilling strengthened on Friday due to lack of dollar demand from merchandise importers and manufacturers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	104.00	104.90			
GBP/KES	129.10	130.80	GBP/USD	1.2428	1.2271
EUR/KES	115.35	117.00	EUR/USD	1.1109	1.1073
INR/KES		1.4085	AUD/USD	0.6176	0.6115
			USD/INR	75.32	74.30
			Commodities		
			Gold	1639	1644
			Brent Crude	20.68	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%

Top News:

- Gold prices edged lower on Monday as a flight to cash to cover losses in equities overshadowed measures by global central banks to contain the economic fallout from the coronavirus epidemic.
- Crude oil benchmarks fell sharply on Monday, with Brent hitting its lowest since November 2002, as the global coronavirus pandemic worsened, and the Saudi Arabia-Russia price war showed no signs of abating.

International Markets

USD: The dollar snapped a week of declines and the safe-haven yen rose on Monday, as coronavirus lockdowns tightened across the world and investors braced for a prolonged period of uncertainty. The weekend brought more bad news on the virus front. Total deaths are nearly 34,000. The United States has emerged as the latest epicenter, with more than 137,000 cases and 2,400 deaths and lockdowns are toughening worldwide.

GBP: GBP/USD remains on the back foot. UK GDP to drop by 15%, coronavirus restrictions could last six months. Intensive care limited to those almost certain to survive, the EU citizens in the UK are at the risk of being illegal. UK's death toll rises to 1,228 with 19,522 cases of infections including British PM Boris Johnson. With the dire warnings on the UK's economic growth crossing wires amid expectations of a longer lockdown, GBP/USD drops to 1.2375, down 0.60%, ahead of the London open on Monday.

EUR: EUR/USD has fallen back below 1.11 amid risk aversion in stocks. Investors fear deeper economic slowdown as Trump extends social distancing to counter coronavirus outbreak. Goldman Sachs believes the economic fallout has only just begun. The US response to curb the coronavirus outbreak seems to be causing renewed stress in the equity markets and pushing the EUR/USD pair lower.

INR: USD/INR extends Friday's recovery gains. Asian stocks remain on the back foot amid fears of coronavirus extension. Measures from the RBI, Indian government fail to please investors during the 21-day lockdown. With the coronavirus (COVID-19) fears weighing on the Asian markets, USD/INR remains on the front foot around 75.45 while heading into the European session on Monday.

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