

## DAILY FX NEWSLETTER

31<sup>ST</sup> March 2020

### Local Markets:

The Kenyan shilling was stable on Monday due to commercial banks and some multinational companies offloading dollars to fund their activities.

### Top News:

- Oil prices fell sharply on Monday, with U.S. crude briefly dropping below \$20 and Brent hitting its lowest level in 18 years, on heightened fears that the global coronavirus shutdown could last months and demand for fuel could decline further.
- Gold prices inched up on Monday after an extension of restrictions in the United States exacerbated concerns about the economic toll of the coronavirus pandemic, driving investors to safe-haven assets.

### International Markets

**USD:** The dollar rose against the yen on Tuesday as Japanese investors and companies rushed to cover a shortage of the U.S. currency before their fiscal year end, but sentiment remained fragile as the global coronavirus crisis showed no signs of abating. China's yuan held steady in offshore trade but could be buffeted by the release of a key manufacturing survey later in the day as investors count the economic cost of the coronavirus, which first emerged in China late last year.

**GBP:** GBP/USD remains on the back foot. EU-UK tussle over Brexit deadline renewed amid coronavirus. Numbers of cases drop in the UK but experts doubt the conclusion. UK GDP, US data can offer intermediate direction, COVID-19/Brexit will be the key. Fresh concerns over the Brexit deadline join hands with doubts over the UK's receding coronavirus (COVID-19) cases and downbeat business sentiment to exert downside pressure on the GBP/USD pair.

**EUR:** EUR/USD has been on the back foot as a turbulent quarter is drawing to an end. The Technical Confluences Indicator is showing that euro/dollar has robust support at 1.0972, which is the convergence of the Fibonacci 61.8% one-month, the Simple Moving Average 5-one-day, and the Fibonacci 38.2% one-week.

**INR:** One-month risk reversals on USD/INR, a gauge of calls to puts, rose to a fresh 7-year high of 3.50 on Monday, indicating a sustained demand for the bullish bets or call options, which give the holder the right but not the obligation to buy the underlying asset at a specified price on or before a specified date. The previous seven-year high of 3.475 was reached on March 25. The gauge bottomed out near 0.20 at the end of December 2019. The USD/INR pair closed at 75.39 on Monday, having hit a record high of 76.45 earlier this month.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	104.45	105.45			
<b>GBP/KES</b>	128.95	130.65	<b>GBP/USD</b>	1.2354	1.2428
<b>EUR/KES</b>	114.90	116.60	<b>EUR/USD</b>	1.1028	1.1109
<b>INR/KES</b>		1.4140	<b>AUD/USD</b>	0.6210	0.6176
			<b>USD/INR</b>	75.34	75.32
			<b>Commodities</b>		
			<b>Gold</b>	1637	1639
			<b>Brent Crude</b>	27.00	20.68

### T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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