

DAILY FX NEWSLETTER

3rd APRIL 2020

Local Markets:

The Kenyan shilling weakened on Thursday due to some merchandise importers and retailers buying dollars to meet their obligations amid lackluster inflows due to the coronavirus-related disruptions.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.50	106.60			
GBP/KES	130.50	132.05	GBP/USD	1.2395	1.2425
EUR/KES	114.20	115.80	EUR/USD	1.0857	1.0959
INR/KES		1.4215	AUD/USD	0.6080	0.6110
			USD/INR	75.72	76.29
			Commodities		
			Gold	1630	1600
			Brent Crude	28.30	26.83

T-Bills Rates:

Duration	Current	Previous
91 Days	7.220%	7.240%
182 Days	8.450%	8.118%
364 Days	9.049%	9.045%

Top News:

- Gold inched down on Friday after rising 1.4% in the previous session as the U.S. dollar firmed, but record high weekly U.S. jobless claims filings kept a check on bullion's downside.
- Oil prices fell on Friday, coming off their biggest one-day gains in the previous session after U.S. President Donald Trump said he had brokered a deal between Saudi Arabia and Russia to cut output, but made no offer to reduce U.S. production.

International Markets

USD: The dollar edged toward an almost 2% weekly rise on Friday, boosted by a surge in the oil price and as investors sought safety amid the worsening economic fallout from the coronavirus pandemic. The gains consolidate the dollar's strength after a topsy-turvy end to last month, which had the dollar soaring in a scramble for cash, then slumping as the U.S. Federal Reserve flooded the market with liquidity.

GBP: GBP/USD bears the burden of broad US dollar strength while waiting for fresh impulse. UK plans to issue coronavirus "immunity passports", Chancellor Sunak includes mid-sized businesses to aid package. EU jurisdiction will dominate the British law until full Brexit, warns top UK judges. Final reading of the UK's March PMIs, US jobs report and ISM Non-Manufacturing PMI will be in focus. Despite the good news for medium-sized UK businesses

EUR: EUR/USD keeps suffering on unabated US dollar demand. Coronavirus fed risk-off boosts the safe-haven appeal of USD. Next of note remains the Eurozone Services PMIs ahead of US NFP. With the US dollar bulls taking a breather following the latest upsurge, EUR/USD is licking its wounds ahead of the European open. The spot trades close to the six-day lows reached Thursday at 1.0820, as it awaits the critical US data for the next direction.

INR: The rupee on Friday opened 25 paise higher at 76.05 against the US dollar on account of some selling in American currency by banks and exporters. Forex market was closed on April 1 and April 2 on account of annual bank closing and Ram Navami, respectively. Rupee consolidated in a narrow range in the previous sessions but there are expectations that the momentum for the currency continues to remain weak following broad strength in the dollar and as FII's continue to remain net sellers in the equity and debt segment.

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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