

## DAILY FX NEWSLETTER

6<sup>th</sup> APRIL 2020

### Local Markets:

The Kenyan shilling was stable on Friday but traders said it faced more weakening pressure from the dollar in the days ahead due the coronavirus-related economic disruptions.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.40	106.50			
<b>GBP/KES</b>	129.00	130.45	<b>GBP/USD</b>	1.2254	1.2395
<b>EUR/KES</b>	114.10	115.60	<b>EUR/USD</b>	1.0845	1.0857
<b>INR/KES</b>		1.4140	<b>AUD/USD</b>	0.6050	0.6080
			<b>USD/INR</b>	76.08	75.72
			<b>Commodities</b>		
			<b>Gold</b>	1643	1630
			<b>Brent Crude</b>	33.80	28.30

### 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:

- Oil prices slid in Asia on Monday morning as OPEC+ delayed a meeting scheduled for later in the day to Thursday. The announcement of the meeting, called to mediate a truce between Saudi Arabia and Russia in their ongoing price war sent oil prices soaring last week.
- Gold prices were little changed on Monday morning as traders remained cautious amid the continuous economic turmoil. Three Swiss refineries in Ticino, Europe's biggest gold refiner, announced yesterday that they received permission to run their factories on a limited basis.

**USD:** The U.S. dollar inched up in Asia on Monday as cities hard hit by the COVID-19 virus reported a decline in fatalities over the weekend. But Friday's report of a 701,000 reduction in U.S. non-farm payrolls put a damper on investor expectations as the economic damage from pandemic-induced lockdowns becomes apparent.

**GBP:** GBP/USD's long-term averages are about to cross bearish. The pound was offered in Asia as Prime Minister Johnson was admitted to hospital on for coronavirus-related tests. GBP/USD's long-term indicator is about to turn bearish for the first time in 11 months. The pair's 50-day average, which topped out in February and began trending south last month, is on track to cross below its 200-day average. That would be the first bearish crossover or death cross since May 2019.

**EUR:** EUR/USD closed under key Fibonacci support on Friday. The pair risks falling to recent lows near 1.0630 in the short-term. A descending trendline hurdle is a level to beat for the bulls. EUR/USD closed in the red for the fifth straight day on Friday, extending the sell-off from the March 27 high of 1.1148. More importantly, the bears established a strong foothold under 1.0831, which is the 61.8% Fibonacci retracement of the rally from 1.0636 to 1.1148, with a weekly close under the key support.

**INR:** The USD/INR pair on Friday opened sharply higher on account of strengthening dollar. Further selloff in domestic equities as covid-19 cases are rising sharply despite 21-day lockdown nationwide weighed on the local currency. The domestic bourses ended with 2% cut. RBI today injected 250b rupees of liquidity into the banking system through its targeted long-term repo operation.

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