

## DAILY FX NEWSLETTER

7<sup>th</sup> APRIL 2020

### Local Markets:

The Kenyan shilling was under pressure on Monday due to dollar demand from commercial banks and importers beefing up their hard currency positions amid economic uncertainty caused by the coronavirus outbreak.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.15	107.25			
GBP/KES	130.35	131.75	GBP/USD	1.2294	1.2254
EUR/KES	114.90	116.40	EUR/USD	1.0845	1.0845
INR/KES		1.4300	AUD/USD	0.6159	0.6050
			USD/INR	75.75	76.08
			Commodities		
			Gold	1718	1643
			Brent Crude	34.05	33.80

### 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 prices eased from a four-week high on Tuesday, as the U.S. dollar and global equities strengthened on signs of a slowdown in coronavirus-related death
- Oil rose on Tuesday amid hopes that the world's biggest producers of crude will agree to curtail production as the coronavirus pandemic ravages the global economy, even as analysts cautioned the cuts may do little to boost demand.

**USD:** The dollar fell against the yen on Tuesday as U.S. stock futures erased gains and traded lower in a sign some investors remain concerned about the economic shock posed by the coronavirus pandemic. The dollar came into Asian trade on a positive note as risk sentiment improved after the governors of New York and New Jersey pointed to tentative signs that outbreaks in their states was starting to plateau.

**GBP:** GBP/USD snaps two-day losing streak, bounces off weekly low. UK PM Johnson is extremely weak, Foreign Secretary Dominic Raab will lead the Cobra and cabinet meetings for him. Risk tone stays positive on early signs that coronavirus numbers are declining from the global hotspots. UK experts doubt the recent declines in the death toll. While paying a little heed to the UK PM Boris Johnson's critical conditions on the Intensive Care Unit (ICU), GBP/USD registers mild gains of 0.28% to 1.2265 ahead of the London open on Tuesday.

**EUR:** EUR/USD looks to be creating a double bottom pattern on the hourly chart. A break above 1.0836 is needed to confirm a price breakout. The American dollar is losing ground in Asia amid the uptick in the US stock futures, helping EUR/USD recover early losses. The pair is currently traded near 1.08, having jumped from 1.0785 to 1.0802 in the 60 minutes to 00:00GMT. The futures tied to the S&P 500 index are up 0.5% at press time and pointing to a continuation of Monday's 7% price rally.

**INR:** The rupee on Tuesday opened 2 paise higher at 75.94 against the US dollar due to some selling in the American currency by banks and exporters. Forex market kicked off at 10 am as the Reserve Bank of India (RBI) reduced trading hours till April 17. The central bank on April 3 announced a reduction in trading hours of debt and currency markets from April 7 in view of the lockdown following the outbreak of coronavirus. The lockdown has adversely impacted the functioning of financial markets.

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