

DAILY FX NEWSLETTER

8th APRIL 2020

Local Markets:

The Kenyan shilling weakened on Tuesday amid thin market activity and shorter trading hours, a consequence of measures taken to curb the spread of the novel coronavirus in the east African country.

Top News:

- Oil climbed on Wednesday, reversing most of the prior session's losses, as investors pinned hopes on a Thursday meeting where OPEC members and allied producers will discuss output cuts to shore up prices that have tumbled amid the coronavirus pandemic.
- Gold prices eased on Wednesday as the U.S. dollar firmed, while signs of a slowdown in the new coronavirus cases in major hot spots hurt the metal's safe-haven appeal and pushed it further away from a near one-month high hit in the previous session.

USD: The dollar found a footing on Wednesday as investors returned to safe-havens, unwinding some risk currency gains made on hopes the coronavirus crisis in Europe and New York was slowing. The greenback rose on most majors besides the safe-haven Japanese yen, a day after suffering its worst drop against a basket of currencies in nearly two weeks.

GBP: GBP/USD fails to hold onto recovery gains amid fresh coronavirus concerns. UK PM is in ICU but stable, doubts over the already higher statistics remain. Expectations are mounting that the UK will have Europe's worst crisis due to the virus. Brexit delay gets a push but Tories resist, Deputy PM Raab has "total confidence" in UK PM Johnson's arrangements. GBP/USD bears the burden of the coronavirus (COVID-19) crisis as it drops to 1.2310, down 0.18%, while heading into the London open on Wednesday.

EUR: EUR/USD is flashing red while heading into the London open, marking a weak follow-through to Tuesday's 0.92% rise from 1.08 to 1.0926. The pair is trading at 1.0860 at press time, representing a 0.28% decline on the day. The American dollar found bids in Asia, as the S&P 500 futures declined by 0.5%, signaling risk aversion after New York reported 731 fatalities from coronavirus on Monday-the biggest daily spike. Meanwhile, Spain's daily toll of coronavirus deaths also rose for the first time in five days.

INR: USD/INR recovers from the one-week low. Multiple supports on the downside will question the sellers. Buyers may await a break of the short-term horizontal resistance. While defying its previous three-day losing streak, USD/INR takes the bids to 75.87, up 0.27%, amid the initial Indian trading session on Wednesday. That said, the pair nears an ascending trend line since February 28 as well as 21-day SMA while also stays below a horizontal line comprising lows marked on March 24 and April 06.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.10	107.45			
GBP/KES	131.10	132.45	GBP/USD	1.2340	1.2294
EUR/KES	115.30	116.80	EUR/USD	1.0865	1.0845
INR/KES		1.4300	AUD/USD	0.6146	0.6159
			USD/INR	75.82	75.75
			Commodities		
			Gold	1684	1718
			Brent Crude	2.276	34.05

T-Bills Rates:

Duration	Current	Previous
91 Days	7.220%	7.240%
182 Days	8.145%	8.118%
364 Days	9.049%	9.045%

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