

DAILY FX NEWSLETTER

11th May 2020

Local Markets:

The Kenyan shilling was stable on Friday supported by inflows from diaspora remittance amid weak dollar demand from oil and merchandise importers.

Top News:

- Oil prices slid nearly \$1 a barrel on Monday as concern over a persistent glut and economic gloom caused by the coronavirus pandemic combined to cancel out support from supply cuts at some of the world's top producers.
- Gold held above the key \$1,700 per ounce level on Monday as a new wave of coronavirus infections in some countries kept the safe-haven metal underpinned, despite firmer equities and a stronger dollar.

International Markets

USD: The dollar rose against most of its major peers on Monday as moves by the United States and other countries to re-open their economies raised hopes for a quicker global recovery from a deep recession triggered by the coronavirus health crisis. While the dollar often trades as a safe-haven asset given its reserve currency status, it has recently developed some positive correlation with Wall Street as investors focus on yields.

GBP: GBP/USD stays positive so far during the week's start. UK PM Johnson announced the easing of lockdown restrictions from level four to three. One-week-long Brexit talks begin today, fisheries remain as a tough nut to crack. Risk-tone dwindles amid mixed trade/virus updates. GBP/USD takes the bids to 1.2432, up 0.16% on a day, while heading into the London open on Monday. The pair earlier cheered the UK PM Boris Johnson's lockdown statements while US dollar weakness seems to please the buyers off late.

EUR: EUR/USD rises as USD broadly weaker on Monday. Friday's risk-on continues optimism that coronavirus-led restrictions will be eased. France and Netherlands urge the EU to implement to adopt trade protectionist policies. EUR/USD is currently trading in a sideways manner just under the 4-hour chart 100-candle average at 1.0852, having bounced up from 1.0822 during the Asian trading hours.

INR: USD/INR recovers from the monthly low. Downbeat economic forecasts come in handy amid virus outbreak in India. US-China jitters renew, major economies in the UK, US and Europe stay ready to re-open. Indian Trade Deficit, virus/trade headlines in focus. USD/INR rises to 75.60, up 0.07% on a day, amid the early Indian session on Monday. Worries over the Indian economic performance during the coronavirus (COVID-19) led lockdown recently fueled the quote whereas increasing odds of the US-China tussle adds to the recovery momentum.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.40	106.60			
GBP/KES	130.70	132.70	GBP/USD	1.2427	1.2450
EUR/KES	114.15	115.95	EUR/USD	1.0855	1.0855
INR/KES		1.4200	AUD/USD	0.6555	0.6550
			USD/INR	75.66	75.25
			Commodities		
			Gold	1706	1720
			Brent Crude	30.41	29.93

T-Bills Rates:

Duration	Current	Previous
91 Days	7.253%	7.242%
182 Days	8.151%	8.134%
364 Days	9.161%	9.115%

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