

DAILY FX NEWSLETTER

15th May 2020

Local Markets:

The Kenyan shilling edged down against the dollar on Thursday and traders said the central bank had intervened to curb volatility in the previous session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.10	107.30			
GBP/KES	129.40	131.40	GBP/USD	1.2220	1.2215
EUR/KES	114.45	116.35	EUR/USD	1.0815	1.0825
INR/KES		1.4320	AUD/USD	0.6465	0.6445
			USD/INR	75.45	75.30
			Commodities		
			Gold	1744	1722
			Brent Crude	31.93	29.51

T-Bills Rates:

Duration	Current	Previous
91 Days	7.266%	7.253%
182 Days	8.192%	8.151%
364 Days	9.172%	9.161%

Top News:

- Gold rose on Friday to trade below a three-week high reached in the previous session, as cracks widened in Sino-U.S. relations and investors worried a recovery from coronavirus-induced economic slump would be slower than expected.
- Oil prices rose on Friday, extending day-earlier gains, as data showed demand for crude picking up in China after the easing of curbs to stem the coronavirus outbreak, boosting hopes that the global supply overhang may start to fade.

International Markets

USD: The dollar eased from a three-week high on Friday but looked set for a modest weekly gain as rising Sino-U.S. tensions and worries about a second wave of coronavirus infections rattled investors. An already-dismal near-term U.S. economic outlook has darkened further in the latest Reuters poll of economists, with a forecast for a 35% annualized second-quarter contraction. While a recovery is still forecast for the second half, the economy will not come close to regaining the ground it lost this year.

GBP: GBP/USD prints five-day losing streak as Brexit/virus woes weigh on the Cable. European Commission launched legal action against UK, Northern Ireland, fisheries remain as tough points in Brexit talks. UK to order antibody kits from Roche as one in 5 Londoners has been infected by the virus. US Retail Sales, Michigan Consumer Sentiment Index are the key. GBP/USD seesaws around 1.2210, down 0.14% on a day while heading into the London open on Friday.

EUR: EUR/USD keeps recoveries from a short-term ascending trend line. 61.8% of Fibonacci retracement acts as immediate resistance. Fresh downside below the support line can refresh monthly low. EUR/USD bounces off a short-term support trend line while trading around 1.0805 during Friday's Asian session. That said, the pair currently aims to confront 61.8% Fibonacci retracement of April 24 to May 01 upside, near 1.0840.

INR: USD/INR remains bid amid broad US dollar strength, risk-on sentiment. India's 20 trillion-rupee stimulus fails to trigger optimism. Hopes of further aids from the US, more 'no' on negative Fed rates keep the US dollar on the bids. US Retail Sales, Michigan Consumer Sentiment Index will be in the spotlight, trade/virus updates also are the key. USD/INR rises to 75.47, up 0.05% on a day, while heading into the European session on Friday.

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