

## DAILY FX NEWSLETTER

29<sup>th</sup> May 2020

### Local Markets:

The Kenyan shilling was stable on Thursday and was expected to ease due to increased dollar demand from the energy and telecoms sectors.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	106.15	107.45			
<b>GBP/KES</b>	131.00	133.00	<b>GBP/USD</b>	1.2355	1.2265
<b>EUR/KES</b>	117.60	119.50	<b>EUR/USD</b>	1.1105	1.1025
<b>INR/KES</b>		1.4290	<b>AUD/USD</b>	0.6660	0.6625
			<b>USD/INR</b>	75.50	75.65
			<b>Commodities</b>		
			<b>Gold</b>	1718	1718
			<b>Brent Crude</b>	35.68	34.09

### T-Bills Rates:

Duration	Current	Previous
91 Days	7.333%	7.319%
182 Days	8.248%	8.227%
364 Days	9.198%	9.195%

### Top News:

- Oil prices edged lower on Friday after U.S. inventory data showed lackluster fuel demand in the world's largest oil consumer while worsening U.S.-China tensions weighed on global financial markets.
- Gold's mission to stay above \$1,700 per ounce was helped on Thursday by another rise in weekly unemployment numbers issued by the U.S. government, which said a total of more 41 million Americans had become jobless now because of the Covid-19.

### International Markets

**USD:** The dollar was hemmed into a narrow trading range on Friday as traders' focus shifted to U.S. President Donald Trump's response to China's passage of a national security law for Hong Kong. The yuan fell in onshore trade and remained near a record low in offshore trade as markets turned nervous before Trump's announcement later on Friday of policy moves that could ignite a diplomatic row between Washington and Beijing.

**GBP:** GBP/USD probes intraday high after bouncing off 1.2308. UK increases changes for China's Huawei, offers citizenship to Hong Kong residents. EU's Trade Chief says UK may have given up on Brexit deal. US President Trump's conference will be the key. GBP/USD buyers attack the day's top around 1.2330 while heading into the London open on Friday. The Cable recently gained bids as the US dollar stays pressured near two-month low amid the US-China tussle. Also joining the drama is the UK who fired shots against China and showed care for Hong Kong citizens.

**EUR:** EUR/USD is on track to post the first monthly gain of 2020. Technical breakout and EU fiscal hopes could push EUR/USD above 1.11 on Friday. Some observers, however, hold reservations about the EU's fiscal plan. On the data front, the focus will be on German Retail Sales and Eurozone CPI. EUR/USD appears on track to end May on a positive note. This will be the first monthly gain since December when the exchange rate had appreciated by 1.88%.

**INR:** The USDINR pair opened higher today at 75.90 tracking weakness in Asian currencies. Offshore Yuan fell to a 9 month low, weighing on other Asian counterparts. Later, the USDINR pair erased almost all its intraday gains on likely foreign fund inflow and closed at 75.75 level, 3 paise higher from the previous close of 75.72. The benchmark new 10 year bond yield is almost around 5.75% from last couple of sessions while the equities extended bullish momentum, gaining 1.88% for the day.

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