

## DAILY FX NEWSLETTER 6th MAY 2020

### **Local Markets:**

The Kenyan shilling strengthened on Tuesday as commercial banks sold off weak dollar.

### **Top News:**

- Oil prices reversed course to edge lower on Wednesday as a higher than expected rise in U.S. inventories refocused investors on the risk of oversupply amid a coronavirus-driven slump in fuel demand.
- Shares struggled and the yen gained on Wednesday, with markets in China faltering on their return from a long holiday as investors fretted over Sino-U.S. tensions, while oil ended an extended winning streak on oversupply risks amid weak demand.

### **International Markets**

**USD:** The dollar was up on Wednesday morning in Asia after Germany's highest court ruled overnight that the European Central Bank justify purchases under its bond-buying program. The country's Federal Court of Justice gave the ECB three months to justify the purchases or risk losing the Bundesbank as a participant in the program to fight the economic impact of the COVID-19 virus

**GBP:** GBP/USD looks for direction after three days of fall. Virus woes, expectations of receding government aid pressure the Cable amid UK-US trade negotiations. UK Construction PMI can offer immediate direction, "Super Thursday" is in the spotlight. GBP/USD narrows the trading range below 1.2500, presently down 0.05% on a day around 1.2430, while heading into the London open on Wednesday. Even if the UK's coronavirus (COVID-19) woes keep exerting downside pressure on the Cable

**EUR:** The yen scaled a three-year high against the euro and a seven-week peak on the dollar on Wednesday, after a court decision challenging German participation in Europe's stimulus program and worries about a bumpy global recovery spooked investor.

**INR:** USD/INR is poised for further upside, 76 levels on the cards. Broad USD demand amid risk-off, Oil-price rally buoy the spot. Focus on US ADP Jobs data and oil dynamics for fresh impetus. Having faced rejection once again near 75.83 region, USD/INR has entered a bullish consolidation phase, as the bulls gather pace for a test of the 76 handle amid a broadly firmer US dollar.

### **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.80	106.85			
<b>GBP/KES</b>	131.65	132.80	<b>GBP/USD</b>	1.2455	1.2485
<b>EUR/KES</b>	114.60	115.85	<b>EUR/USD</b>	1.0850	1.0925
<b>INR/KES</b>		1.4150	<b>AUD/USD</b>	0.6455	0.6470
			<b>USD/INR</b>	75.60	75.40
			<b>Commodities</b>		
			<b>Gold</b>	1704	1700
			<b>Brent Crude</b>	30.95	28.31

### **T-Bills Rates:**

Duration	Current	Previous
91 Days	7.242%	7.212%
182 Days	8.134%	8.121%
364 Days	9.115%	9.110%

**For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2**

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