

**DAILY FX NEWSLETTER**  
**6th MAY 2020**

**Local Markets:**

The Kenyan shilling firmed on Wednesday due to reduced demand from the energy sector and commercial banks selling off their excess dollars.

**Top News:**

- Oil prices steadied on Thursday as data showed China's crude imports rebounded, but market watchers expect gains to be capped by the glut in supplies as the coronavirus pandemic crushes global fuel demand.
- Asian shares pared early losses on Thursday after Chinese exports proved far stronger than even bulls had imagined, while U.S. bond investors were still daunted by the staggering amount of new debt set to be sold in coming weeks

**International Markets**

**USD:** The dollar was up on Thursday morning in Asia with investor risk appetite soured by an onslaught of bad economic news.

**GBP:** GBP/USD drops after the break of the monthly support line. 21/10-day SMA confluence adds to the resistance. Having slipped below the monthly support line, now resistance, GBP/USD declines to 1.2315 during Thursday's Asian session. The pair flashes two-week low while testing 50% Fibonacci retracement of its March month downside

**EUR:** EUR/USD has erased a major chunk of gains seen in the six days to May 1. German Industrial Production, due at 06:00 GMT, is likely to show record contraction in March. German court's recent ruling on ECB's QE has emboldened the bears. EUR/USD fell for the third straight day on Wednesday, reversing nearly 80% of the bounce from 1.0727 to 1.1019 seen in the six trading days to May 1. The three-day decline has exposed key trendline support located near 1.0760. At press time, the spot is trading in a sideways manner around 1.08.

**INR:** USD/INR prints six-day winning streak. The monthly resistance line will check buyers after 21-day SMA. 50-day SMA offers strong support amid bearish MACD. USD/INR extends the five-day rise while printing 76.11 during the early Thursday. In doing so, the pair probes the weekly top while also confronting 21-day SMA amid bearish MACD.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.60	106.55			
<b>GBP/KES</b>	130.00	131.30	<b>GBP/USD</b>	1.2338	1.2455
<b>EUR/KES</b>	114.00	114.90	<b>EUR/USD</b>	1.0798	1.0850
<b>INR/KES</b>		1.4070	<b>AUD/USD</b>	0.6430	0.6455
			<b>USD/INR</b>	75.90	75.60
			<b>Commodities</b>		
			<b>Gold</b>	1690	1704
			<b>Brent Crude</b>	29.80	30.95

**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**

**DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.**