

DAILY FX NEWSLETTER
8th MAY 2020

Local Markets:

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

Top News:

- Oil prices rose on Friday as more countries began easing lockdowns set in place to stop the coronavirus spreading, giving hope that demand for fuels will pick up after the economic devastation caused by the pandemic.
- Asian shares rose on Friday as investors focused on talks between U.S. and Chinese trade officials and solid corporate earnings rather than the looming release of data expected to show the worst U.S. unemployment rate in more than 70 years.

International Markets

USD: The dollar retreated on Friday morning in Asia, with investors defying gloomy economic data to buy riskier currencies after some countries loosened lockdown measures. The dollar was also dealt a blow after U.S short-term bond yields hit a record low. Investors then started to price in the first-ever negative U.S. interest rates.

GBP: GBP/USD remains positive on a day, except for the latest pullback. BOE managed to strike an upbeat tone despite conveying pandemic fears. UK PM Boris Johnson will announce guidelines on easing lockdown restrictions on Sunday. US NFP, Unemployment Rate likely to bear the burden of coronavirus. GBP/USD steps back from the intraday top of 1.2408 to currently around 1.2394, up 0.21% on a day, while heading into the European open on Friday. Despite the latest pullback, mainly due to the US-China trade optimism, the Cable pair remains positive while extending the BOE-led gains on the day of the UK's holiday.

EUR: EUR/USD picks up a bid on trade optimism. US April Nonfarm payrolls data is expected to show record job losses. A below-forecast reading will likely add to bearish pressures around the greenback. The American dollar is losing altitude on trade optimism and pushing EUR/USD ahead of the all-important US Nonfarm Payrolls data scheduled for release at 12:30 GMT.

INR: USD/INR extends the previous day's losses further towards the six-week-old support line. The monthly resistance trend line can check buyer's past-21-day SMA. USD/INR drops to 75.36, down 0.57% on a day, during the pre-Europe session on Friday. The pair took a U-turn from 21-day SMA the previous day and is currently declining towards an ascending trend line from March 27

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.40	106.30			
GBP/KES	130.60	131.90	GBP/USD	1.2450	1.2338
EUR/KES	114.40	115.40	EUR/USD	1.0855	1.0798
INR/KES		1.4180	AUD/USD	0.6550	0.6430
			USD/INR	75.25	75.90
			Commodities		
			Gold	1720	1690
			Brent Crude	29.93	29.80

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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