

DAILY FX NEWSLETTER

03rd June 2020

Local Markets:

The Kenyan shilling strengthened on Tuesday, supported by inflows from horticulture exports amid muted dollar demand from oil importer

Top News:

- Oil rose on Wednesday, with Brent at \$40 for the first time since March, as optimism mounted that major producers would extend production cuts and a recovery from the coronavirus pandemic will spur fuel demand.
- Gold traded steady on Wednesday after snapping a three-session winning streak in the previous day, as a rally in equity markets on hopes of more stimulus offset some support from a weaker dollar.

International Markets

USD: The dollar fell against most Asian currencies on Wednesday as prospects of more government stimulus and a global economic recovery emboldened investor to step up holdings of riskier assets. China's yuan edged higher after a private survey showed the services sector in the world's second-largest economy returned to growth, which could bolster expectations for economic recovery.

GBP: GBP/USD surged to a five-week top before stepping back to 1.2566. UK coronavirus death toll reaches the grim milestone, PM Boris Johnson takes charge of the proceedings. Fisheries offered tough start to the Brexit talks, as expected, EU's Barnier still proposes two-year extension to deadline. US dollar offered heavily amid risk-on sentiment, busy day for traders ahead. GBP/USD consolidates the latest gains around the five-week top while taking the bids near 1.2585, up 0.27% on a day, ahead of the London open on Wednesday.

EUR: EUR/USD renewed three-month highs above 1.1200. Risk-on mood downs the US dollar, props up the spot. Focus on Eurozone/ US Services PMI and G7 call. EUR/USD is challenging three-month highs above 1.1200, as we progress towards the European opening bells. The US dollar extends its five-day losing streak amid a risk-on rally in global equities, underpinned by the economic recovery hopes.

INR: The rupee on Tuesday rebounded by 18 paise to close at 75.36 (provisional) against the US dollar after Prime Minister Narendra Modi asserted that the country will get back its economic growth. The rupee opened lower at 75.57 at the interbank foreign exchange market and moved between 75.62 and 75.36 during the day trade.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.70	107.00			
GBP/KES	132.90	135.10	GBP/USD	1.2600	1.2515
EUR/KES	118.30	120.30	EUR/USD	1.1220	1.1145
INR/KES		1.4335	AUD/USD	0.6955	0.6817
			USD/INR	75.10	75.55
			Commodities		
			Gold	1728	1749
			Brent Crude	40.43	38.64

T-Bills Rates:

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

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