

DAILY FX NEWSLETTER

05th June 2020

Local Markets:

The Kenyan shilling was stable on Thursday, supported by informs from remittances and horticulture exports amid light importer dollar demand.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.30	106.60			
GBP/KES	133.10	135.25	GBP/USD	1.2665	1.2550
EUR/KES	119.55	121.60	EUR/USD	1.1380	1.1230
INR/KES		1.4295	AUD/USD	0.7010	0.6915
			USD/INR	75.35	75.30
			Commodities		
			Gold	1713	1.703
			Brent Crude	40.33	39.24

T-Bills Rates:

Duration	Current	Previous
91 Days	7.325%	7.333%
182 Days	8.200%	8.248%
364 Days	9.165%	9.198%

Top News:

- Gold eased ahead of a highly awaited U.S. jobs report on Friday as markets pinned hopes on an economic recovery, putting the safe-haven metal on track for a third consecutive weekly decline.
- Oil prices eased slightly on Friday as markets wait to see whether major producers will commit to an extension of record production cuts to support oil prices.

International Markets

USD: The dollar was up on Friday morning in Asia, rallying from its losses during the previous session. Investors turned to the safe-haven asset after U.S. data said that 1.877 million Americans claimed unemployment during the previous week, higher than the forecasted 1.8 million claims. Investors are now looking to Friday's non-farm payrolls report, due to be released later in the day.

GBP: GBP/USD stays depressed below 1.2614 despite flashing multiple bounces off 1.2583. Brexit negotiations go haywire amid hopes of Germany's leadership to deliver results in October. Chinese state media warns UK to prepare for "substantial damage" after British PM Johnson's favor to the Hong Kong citizens. Brexit talks, US employment data and US-China headlines will be in the spotlight. Having stepped back from the five-week high of 1.2633, GBP/USD remains under pressure around 1.2590 while heading into the London open on Friday. It should, however, be noted that the pair's recent declines have been confined by 1.2583.

EUR: EUR/USD seesaws near the highest in three months. 200-week SMA, a falling trend line from February 2018 guard immediate upside. January top can lure the sellers during a fresh pullback. EUR/USD stays directionless around the multi-day top while taking rounds to the 1.1335 amid Friday's Asian session. The reason could be traced from the pair's inability to cross 200-week SMA, currently around 1.1335.

INR: USD/INR picks up the bids from 75.39 inside two-month-old falling triangle. Triangle's support is now on the sellers' radar. May month top adds to the upside barriers beyond the bullish technical formation. USD/INR seems to regain the bids while flashing 75.48 as the quote during the pre-European session on Friday. Even so, the quote stays below 10-day SMA inside a short-term falling triangle formation. As a result, the pair's current rise might falter around a 10-day SMA level of 75.57, a break of which could challenge the triangle pattern's resistance line, at 75.94.

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