

DAILY FX NEWSLETTER

09th June 2020

Local Markets:

The Kenyan shilling was firm on Monday due to stable dollar demand from importers and an increase in hard currency reserves at the central bank, which boosted sentiment.

Top News:

- Oil prices climbed on Tuesday as the easing of coronavirus lockdown measures across the globe lifted trader hopes for a swift recovery in demand, though gains were capped by the specter of persistent oversupply in the market.
- Gold prices edged higher on Tuesday buoyed by a weaker dollar, but the metal traded in a narrow range as caution set in ahead of the U.S. Federal Reserve's two-day monetary policy meeting.

International Markets

USD: The dollar steadied on Tuesday as profit taking stalled surging commodity currencies, while a rising yen pointed to some investor trepidation over the U.S. Federal Reserve's next move. Meanwhile, the Antipodean currencies benefitted from investors' increased risk appetite, as well as from its governments further easing lockdown measures earlier in the session.

GBP: GBP/USD extends losses from 1.2756, the highest since March 12, 2020. UK could reopen non-essential retail soon as virus-led deaths slump to the pre-outbreak stage. Market optimism fades amid mild challenges to the previous risk-on sentiment. Britain and Japan will discuss the post-Brexit trade deal on Tuesday, no major data/event up for publishing. GBP/USD snaps eight-day winning streak while declining to 1.2711, down 0.10% on a day, during the pre-London open trading on Tuesday. While fundamentals concerning the British Pound remain mostly positive, except for the Brexit, the US dollar's U-turn seems to have paved the way for the Cable's latest drop.

EUR: EUR/USD drops from 1.1315 to 1.1285 on dollar demand. Fed's chairman Powell may strike an upbeat on Wednesday. On the data front, the focus is on Eurozone GDP and employment numbers. The American dollar is drawing bids at press time and pushing EUR/USD lower, possibly on expectations that the Federal Reserve would strike an optimistic tone on Wednesday. EUR/USD is currently trading in the red near 1.1285, having put in a high of 1.1315 during the Asian trading hours.

INR: USD/INR struggles for direction near short-term key resistance. Normal RSI conditions, nearness to 21-day SMA keeps the hope of another pullback below 76.00. A two-month-old falling trend line adds to the upside barrier. April low becomes the crucial support below 75.00. USD/INR trims the early-day gains to 75.54, up only 0.04% on a day, during the pre-European session on Monday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.55	106.85			
GBP/KES	134.10	136.30	GBP/USD	1.2730	1.2720
EUR/KES	119.05	121.05	EUR/USD	1.1305	1.1305
INR/KES		1.4330	AUD/USD	0.7010	0.6785
			USD/INR	75.35	75.45
			Commodities		
			Gold	1702	1694
			Brent Crude	41.22	42.93

T-Bills Rates:

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

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