

## DAILY FX NEWSLETTER

17<sup>th</sup> June 2020

### Local Markets:

The Kenyan shilling was stable on Tuesday and was expected to gain ground, helped by dollar inflows from tea exports and tightening liquidity in the money markets.

### Top News:

- Oil prices fell on Wednesday as data showed an increase in U.S. crude and fuel inventories, raising the prospect of oversupply as a potential second wave of the coronavirus pandemic threatened to halt any recovery of demand.
- Asian share markets took a breather on Wednesday as a resurgence of coronavirus cases challenged market confidence in a rapid economic recovery, even as the rebound in U.S. retail sales in May broke all records.

### International Markets

**USD:** The dollar was up on Wednesday morning in Asia, boosted by fears over rising numbers of COVID-19 cases and geopolitical tension.

**GBP:** The pound has been moving lower in the session against the yen and dollar. The recent bout of risk-off sentiment has pushed cable lower and now the price has moved below 1.26 once again. The pound has been suffering on the political front as no real news came out of the recent round of Brexit talks between Boris Johnson and the EU commission.

**EUR:** EUR/USD to remain rangebound as Covid fears are likely to bode well for the US dollar. The pair's broader uptrend would remain intact as long as it is held above support near 1.12. EUR/USD's uptrend remains intact, however, the pair may consolidate for some time, testing bulls' patience, as the American dollar is likely to attract buyers on resurgent Covid-19 fears.

**INR:** USD/INR takes U-turn from two-month-old horizontal resistance. An ascending trend line from June 03 holds the key to further declines toward 50-day EMA. The late-April tops can lure the bulls beyond the immediate upside barrier. USD/INR drops to 76.19, down 0.27% on a day, during the initial hours of Indian trading on Wednesday. In doing so, the quote reverses from the highest since April 27.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.75	107.00			
<b>GBP/KES</b>	133.00	134.60	<b>GBP/USD</b>	1.2580	1.2690
<b>EUR/KES</b>	119.40	120.80	<b>EUR/USD</b>	1.1290	1.1380
<b>INR/KES</b>		1.4180	<b>AUD/USD</b>	0.6895	0.6980
			<b>USD/INR</b>	76.00	75.70
			<b>Commodities</b>		
			<b>Gold</b>	1727	1728
			<b>Brent Crude</b>	40.29	39.78

### T-Bills Rates:

Duration	Current	Previous
91 Days	7.259%	7.325%
182 Days	8.060%	8.200%
364 Days	9.030%	9.165%

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