

## DAILY FX NEWSLETTER

18<sup>th</sup> June 2020

### Local Markets:

The Kenyan shilling strengthened Wednesday helped by low dollar demand from merchandise importers and tight liquidity in the money market.

### Top News:

- Oil prices fell more than 1% in early trade on Thursday as a spike in new coronavirus cases in China and the United States renewed fears that people would stay home and stall a recovery in fuel demand even as lockdowns ease.
- Asian stocks and Wall Street futures fell on Thursday as spiking coronavirus cases in some U.S. states and China crushed hopes of a quick global economic comeback from the pandemic.

### International Markets

**USD:** The dollar held its earlier gains on Thursday morning in Asia, amid growing concern over the spike in COVID-19 cases in China and the U.S.

**GBP:** GBP/USD extends losses from the weekly high of 1.2687 while being in the red for third day in a row. Mostly downbeat UK economics increase odds of the BOE's action to combat the virus fears. Expectations of the Brexit deal before autumn recede, Germany signals 'hot phase' in September. G7 urges China to reconsider pushing for Hong Kong security law. GBP/USD is seen trimming the intraday losses while rising to 1.2555 ahead of the London open on Thursday. Even so, the pair posts three-day losing streak ahead of the key monetary policy meeting by the Bank of England (BOE).

**EUR:** EUR/USD regains pose despite risk-off tone in the US stock futures. Daily chart shows an impending golden crossover, a long-term bull market indicator. Impending bullish technical developments could bode well for the common currency. EUR/USD is reporting moderate gains at press time and could rise further as a widely followed technical indicator is about to turn bullish for the first time since December 2019

**INR:** The Indian rupee was little changed against the dollar, as traders do not see an immediate impact on foreign flows after Fitch cut the country's rating outlook. The rupee was quoted at 76.10 to the dollar compared with 76.15 at 2.00 p.m. yesterday.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.80	107.00			
<b>GBP/KES</b>	133.00	133.90	<b>GBP/USD</b>	1.2560	1.2280
<b>EUR/KES</b>	119.00	120.60	<b>EUR/USD</b>	1.1290	1.1290
<b>INR/KES</b>		1.4100	<b>AUD/USD</b>	0.6895	0.6895
			<b>USD/INR</b>	76.05	76.00
			<b>Commodities</b>		
			<b>Gold</b>	1728	1727
			<b>Brent Crude</b>	40.50	40.29

### 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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