

DAILY FX NEWSLETTER

19th June 2020

Local Markets:

The Kenyan shilling was stable on Thursday with inflows from tea exports and diaspora remittances matching dollar demand from merchandise importers and some multinational companies.

Kenya has delayed talks on a trade deal with the United States until a pan-African trade bloc comes into force, President Uhuru Kenyatta said on Thursday, likely holding up what would be Washington's first such pact in sub-Saharan Africa.

Top News:

- Oil prices pushed higher in early trade on Friday, building on gains in the previous session, after OPEC producers and allies promised to meet their supply cut commitments and two major oil traders said demand was recovering well.
- Asian shares and U.S. stock futures wobbled in choppy trade on Friday as lingering concerns about a fresh spike in coronavirus cases offset growing hopes for a quick economic recovery.

International Markets

USD: The dollar headed for its best week in a month on Friday as a resurgence in coronavirus cases knocked confidence in a rapid economic recovery and drove investors to the safety of the world's reserve currency. Geopolitical tensions on the Korean peninsula, in the Himalayas and between China and its trading partners have also weighed, and the balance of risks kept morning moves modest. The dollar traded near a two-week high against a basket of currencies and has gained about 0.4% for the week, its largest weekly rise since mid-May. That stalled the rally in the risk-sensitive Australian and New Zealand dollars.

GBP: GBP/USD stays on the back foot near the lowest since June 01. A sustained break of key support line, now resistance, as well as 50-day SMA, keep seller's hopeful. 61.8% Fibonacci retracement adds to the upside barrier. GBP/USD declines to 1.2413, down 0.09% on a day, amid the early Tokyo session on Friday. In doing so, the Cable remains near the previous day's low, the bottom of the month, while also flashing a four-day losing streak.

EUR: The uptick in Asian stocks weakens haven bid for USD, allows a minor rise in EUR/USD. Expectations for additional easing in China and gains in Asian stocks fail to lift JPY crosses. EUR/USD is looking to chalk out gains amid the uptick in the Asian stock markets.

INR: The Indian rupee is expected to trade lower against the U.S. currency, tracking the dollar index's rise to near two-week highs amid tepid risk appetite. The rupee will likely be quoted at around 76.25 in early trades compared with 76.14 at 2.00 p.m. yesterday

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.70	106.90			
GBP/KES	131.80	132.80	GBP/USD	1.2480	1.2560
EUR/KES	118.50	119.90	EUR/USD	1.1230	1.1290
INR/KES		1.4100	AUD/USD	0.6870	0.6895
			USD/INR	76.15	76.05
			Commodities		
			Gold	1727	1728
			Brent Crude	41.90	40.50

T-Bills Rates:

Duration	Current	Previous
91 Days	7.089%	7.259%
182 Days	7.739%	8.058%
364 Days	8.667%	9.030%

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