

## DAILY FX NEWSLETTER

22<sup>nd</sup> June 2020

### Local Markets:

The Kenyan shilling was firm on Friday supported by dollar inflows from horticulture exports.

### Top News:

- Gold jumped to its highest in more than a month on Monday as investors sought the safe-haven metal after surging coronavirus cases intensified concerns over a delay in global economic recovery.
- Oil prices nudged higher on Monday on tighter supplies from major producers but concerns that a record rise in global coronavirus cases could curb a recovery in fuel demand checked gains.

### International Markets

**USD:** The U.S. dollar touched a three-week high and commodity currencies were stalled on Monday, as renewed worries about a second wave of coronavirus infections sent investors into safer assets. Moves were modest, as few expect spiking case numbers to prompt fresh lockdowns at this point. But with the World Health Organization reporting a record increase in global cases on Sunday, especially in the Americas, and Apple Inc protectively closing 11 U.S. stores last week, there was no immediate cause for optimism either.

**GBP:** GBP/USD stretches pullback moves from 1.2336, questions further bearish bias. UK Chancellor Sunak targets VAT to combat COVID-19, British PM Johnson will unveil guidelines to further ease lockdown restrictions. ECHR adds barriers to next week's Brexit negotiations, attacks in the UK gain a little footage. Brexit, virus updates, UK CBI survey data can offer immediate direction. GBP/USD keeps range near daily highs close to 1.2380 while heading into the London open on Monday.

**EUR:** EUR/USD rises alongside gains in the US stock futures. Risk assets, however, are not out of the woods yet as virus concerns and geopolitical tensions linger. The data calendar is light and focus is on German Bundesbank President's speech. EUR/USD is flashing green at press time with risk assets better bid despite the rise in the coronavirus infection rate in the US, Germany, parts of China and some developing nations. The pair is currently trading at 1.1192, representing a 0.17% gain on the day, having defended Friday's low of 1.1168 during the early Asian trading hours.

**INR:** The rupee on Monday opened 2 paise higher at 76.17 against the US dollar following gains in the domestic equity market and some weakness in the American currency. Rupee quoted in a narrow range in the previous session as uncertainty on the Indo-China border kept the momentum low for the currency. The local currency on Friday settled 5 paise down at 76.19 against the greenback.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.60	106.80			
<b>GBP/KES</b>	130.50	132.55	<b>GBP/USD</b>	1.2385	1.2480
<b>EUR/KES</b>	118.05	119.95	<b>EUR/USD</b>	1.1205	1.1230
<b>INR/KES</b>		1.4150	<b>AUD/USD</b>	0.6865	0.6870
			<b>USD/INR</b>	76.00	76.15
			<b>Commodities</b>		
			<b>Gold</b>	1766	1727
			<b>Brent Crude</b>	42.02	41.90

### 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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