

DAILY FX NEWSLETTER

23rd June 2020

Local Markets:

The Kenyan shilling was stable on Monday with inflows from horticulture exports and diaspora remittances supplying end month dollar demand from merchandise importers.

Top News:

- Oil was down on Tuesday morning in Asia, giving up its earlier gains from the session. China, one of the world's biggest oil importers, has yet to respond to Navarro's comments, but an escalation of U.S.-China tension threatens a delay in the global economic recovery from COVID-19, in turn increasing the risks of an oversupply.
- Gold eased on Tuesday on expectations of positive manufacturing data from the euro zone but concerns over a second coronavirus wave kept the safe haven metal near its highest level in more than a month.

International Markets

USD: The dollar was up on Tuesday morning, steadying an earlier surge after White House trade advisor Peter Navarro clarified his statements concerning the U.S.-China trade deal. Investors were taken on a roller-coaster ride earlier in the session after Navarro said that the deal was "over" on Monday, only to issue a clarification shortly afterwards stating that his comments had "been taken wildly out of context."

GBP: GBP/USD fails to justify the U-turn from 1.2437. Worries over UK-Japan trade deal joins Brexit pessimism to heavy the Pound. Mixed updates concerning the US-China trade deal, virus news favor the greenback. Preliminary readings of June will offer immediate directions, risk factors to keep the driver's seat. GBP/USD fizzles the recent upside momentum while declining to 1.2475, still gaining 0.05%, as heading towards the London open on Tuesday.

EUR: EUR/USD edges above 10-day SMA at 1.1266 ahead of London open. Overnight gains on Wall Street keep the dollar on the defensive. Charts signal bullish breakout but need validation from preliminary German and Eurozone PMIs. The buying pressure around the single currency remains strong with EUR/USD currently printing session highs above the 10-day simple moving average (SMA) at 1.1266. The pair jumped more than 0.70% on Monday, snapping a four-day losing streak.

INR: The rupee on Monday appreciated 17 paise to close at 76.03 (provisional) against the US dollar in line with positive equity markets amid sustained foreign fund inflows. Besides, a weak US dollar against major global currencies also aided the rupee's upward movement, forex dealers said. At the interbank foreign exchange market, the rupee opened strong at 76.16 and it further rushed to touch a high of 75.98 during the trade.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.60	106.80			
GBP/KES	131.35	133.40	GBP/USD	1.2465	1.2385
EUR/KES	118.75	120.65	EUR/USD	1.1270	1.1205
INR/KES		1.4230	AUD/USD	0.6910	0.6865
			USD/INR	75.65	76.00
			Commodities		
			Gold	1765	1766
			Brent Crude	42.80	42.02

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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