

DAILY FX NEWSLETTER

24th June 2020

Local Markets:

The Kenyan shilling held steady on Tuesday with inflows from tea exports and diaspora remittances helping meet end month dollar demand from manufacturers and oil importers.

Top News:

- Gold prices climbed to its highest level in nearly eight years on Wednesday, as demand for the safe-haven asset was boosted by worries over a surge in coronavirus infections and hopes of more stimulus measures to combat the economic blow.
- Oil futures dropped on Wednesday, extending losses from the previous day, after U.S. crude stockpiles grew more than expected, adding to worries about oversupply.

International Markets

USD: The dollar was under pressure on Wednesday, after upbeat data in Europe boosted the euro and helped stoke hopes for a global economic recovery, underpinning appetite for riskier currencies. although that is still below the 50-mark separating growth from contraction, the improvement in business sentiment — together with upbeat data in Britain and the United States — lent support to a sense that growth is returning at pace.

GBP: GBP/USD extends pullback from 1.2543 amid a fresh wave of declines. Experts criticize UK PM Johnson's removal of a two-meter social distance rule. Brexit woes remain in place as British policymakers push for market access. Lack of major data, the mixed performance of risk catalysts confuses the traders amid US dollar bounce from a two-week low. GBP/USD eases to 1.2512, down 0.06%, while heading into the London open on Wednesday.

EUR: EUR/USD again struggles to keep gains above the 200-week SMA. A big beat on the German IFO Expectations may lift the pair above the key hurdle. US fiscal stimulus talk could keep the dollar under pressure. EUR/USD has added nearly 150 pips so far this week. However, bulls are yet to clear key resistance, which has repeatedly capped upside this year. The currency pair is currently trading near 1.1316, having begun the week at 1.1173 and printed a high of 1.1349 on Tuesday.

INR: USD/INR bounces off two-week low to defy three-day losing streak. Confirmation of a bullish chart pattern, oversold RSI favors further pullback of the pair. 75.30 could lure the short-term sellers ahead of the monthly low. USD/INR rises to 75.60, up 0.10% on a day, ahead of the European session on Wednesday. The pair recently broke a three-day-old falling channel formation amid oversold RSI conditions. However, the quote is still below an ascending trend line stretched from June 03.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.65	106.85			
GBP/KES	132.00	134.00	GBP/USD	1.2520	1.2465
EUR/KES	119.45	121.30	EUR/USD	1.1330	1.1270
INR/KES		1.4320	AUD/USD	0.6955	0.6910
			USD/INR	75.10	75.65
			Commodities		
			Gold	1785	1765
			Brent Crude	42.60	42.80

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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