

DAILY FX NEWSLETTER

26th June 2020

Local Markets:

The Kenyan Shilling was stable on Thursday due to inflows from horticulture exports and diaspora remittances meeting end month dollar demand.

Top News:

- Gold prices were headed for their third consecutive weekly gain on worries about rising global cases of the novel coronavirus, although prices see-sawed on Friday after a firm dollar and a gain in equities countered safe-haven demand.
- Oil prices rose on Friday, extending gains from the previous day on optimism about recovering fuel demand worldwide, despite a surge in coronavirus infections in some U.S. states and indications of a revival in U.S. crude production.

International Markets

USD: The dollar held firm on Friday as caution over rapid rises in U.S. coronavirus cases cast doubt over the reopening of the economy, keeping the allure of its safe-haven value. Also supporting the greenback was the broader rise in corporate demand typically seen towards the end of the month. That helped the dollar stay firm despite the stubbornly upbeat risk appetite seen in global equity markets, which comes even as new coronavirus infections surge.

GBP: GBP/USD bounces off 1.2415 to probe the intraday range's resistance. US dollar pullback offers immediate recovery amid a quiet session. Trade war, coronavirus and Brexit continue to portray the trading theme. GBP/USD pulls back from 1.2415 to 1.2428, up 0.05% on a day, while heading into the London open on Friday. Even so, the Cable keeps the intraday range between 1.2415 and 1.2430 by the press time. Although the US dollar's mild weakness seems to benefit the quote off-late, a lack of market liquidity seems to curb the moves amid a light calendar.

EUR: EUR/USD has recovered from overnight lows below 1.12. Asian equities track Wall Street higher and keep the US dollar under pressure. EU-US trade tensions are likely to escalate, according to an American think tank. ECB's Lagarde is scheduled to speak at 07:00 GMT. EUR/USD's two-day decline has stalled with the bid tone around the US dollar weakening amidst signs of risk reset in the Asian equities. The pair is currently trading at 1.1224, representing marginal gains on the day, having printed a low of 1.1190 during Wednesday's US trading hours.

INR: USD/INR risks falling to 100-day SMA support at 74.68. Daily chart shows a bearish candlestick pattern and a failed breakout. USD/INR's daily chart is reporting bearish developments. To start with, the pair formed a bearish marabou's candle on Thursday. It occurs when sellers control the price action from opening bell to closing bell and is reflective of strong bearish sentiment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.75	106.95			
GBP/KES	131.30	133.30	GBP/USD	1.2440	1.2430
EUR/KES	118.50	120.35	EUR/USD	1.1230	1.1260
INR/KES		1.4295	AUD/USD	0.6895	0.6880
			USD/INR	75.35	75.55
			Commodities		
			Gold	1767	1773
			Brent Crude	41.70	3987

T-Bills Rates:

Duration	Current	Previous
91 Days	6.700%	7.089%
182 Days	7.395%	7.739%
364 Days	8.194%	8.667%

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