

## DAILY FX NEWSLETTER

29<sup>th</sup> June 2020

### Local Markets:

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

### Top News:

- Gold prices rose on Monday as worries over a surge in fresh COVID-19 infections globally dented investor optimism about a swift economic rebound and drove investors towards the safe-haven metal.
- Oil prices slid for a second straight session on Monday as coronavirus cases rose in the United States and other places, leading some countries to resume partial lockdowns that could hurt fuel demand.

### International Markets

**USD:** The dollar struggled to make headway on Monday, and riskier currencies inched ahead, as investor sentiment swung between hopes for a global economic recovery and fears that a fresh wave of coronavirus cases could undermine the revival. California ordered some bars to close on Sunday, following similar moves in Texas and Florida, as cases nationwide soar to record levels. Washington state and the city of San Francisco have paused re-opening plans. Yet elsewhere - from New York to Europe and Asia - re-openings continue apace and data illustrates a swift rebound.

**GBP:** GBP/USD extends recovery gains from 1.2315 ahead of the key day. EU-UK policymakers aim for "intense talks" in Brussels, Tories keep the heads high while bloc leaders want compromise from Britain. Risk-tone remains heavy amid coronavirus woes, local lockdowns in focus at home. Hopes of UK PM Johnson's boost to infrastructure spending act as an additional catalyst. GBP/USD takes the bids near 1.2370, up 0.24% on a day, while heading into the London open on Monday. The Cable recently bounced off the monthly low amid the US dollar pullback.

**EUR:** EUR/USD ticks higher with the S&P 500, ignores weakness in APAC stocks. Big gains look unlikely as virus resurgence sours risk appetite. ECB Villeroy de Galhau says monetary policy needs to remain loose to achieve price target. While EUR/USD is flashing green at press time, the upside looks limited as the rising number of coronavirus cases are likely to weigh over the European equities. At press time, the pair is trading at 1.1240, representing a 0.20% gain on the day.

**INR:** The rupee on Monday opened nearly 3 paise higher at 75.62 against the US dollar following some selling in American currency by banks and exporters. The local currency on Friday settled flat at 75.65 against the greenback as concerns about rising Covid-19 cases weighed on investor sentiment. On the domestic front, market participants will continue to monitor the situation on the Indo-China border and that could trigger volatility for the currency.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.70	106.90			
<b>GBP/KES</b>	130.65	132.65	<b>GBP/USD</b>	1.2385	1.2440
<b>EUR/KES</b>	118.70	120.55	<b>EUR/USD</b>	1.1265	1.1230
<b>INR/KES</b>		1.4265	<b>AUD/USD</b>	0.6880	0.6895
			<b>USD/INR</b>	75.45	75.35
			<b>Commodities</b>		
			<b>Gold</b>	1786	1767
			<b>Brent Crude</b>	37.64	41.70

### T-Bills Rates:

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

**For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2**

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