

DAILY FX NEWSLETTER 02nd July 2020

Local Markets:

The Kenyan shilling was steady on Wednesday against dollar demand from the energy sector and merchant importer supported by inflows from horticulture exports and remittances following easing of lock down restrictions abroad.

Top News:

- Oil prices dipped on Thursday after the United States recorded its biggest one-day spike in coronavirus cases and California reimpose some lockdown measures, stoking worries a resurgence in COVID-19 cases will stall a recovery in fuel demand.
- Gold prices slipped on Thursday, easing from a near eight-year high hit in the previous session, as strong U.S. data and hopes for a potential COVID-19 vaccine dented safe-haven sentiment.

International Markets

USD: The dollar was on the defensive against more growth-sensitive currencies on Thursday, following upbeat U.S. and European economic data, though worries about the coronavirus blunted more aggressive risk taking ahead of upcoming U.S. jobs figures. Non-farm payrolls figures are expected to show an increase of 3 million jobs last month. But estimates vary widely, and the data comes as concerns grow about whether the U.S. economy can sustain its recovery as coronavirus infections surge and some states reimpose limits on business and personal activity.

GBP: GBP/USD keeps recovery moves from 1.2461 to portray a three-day winning streak. US dollar weakness ahead of the key employment figures favors the Cable to remain strong. German Chancellor suggests preparing for no-deal Brexit, more than 12,000 British people to lose their job in two days. Brexit and virus updates might offer intermediate clues while major attention will be given to the US NFP. GBP/USD takes rounds to 1.2485, up 0.06% on a day, while heading into the London open on Thursday.

EUR: EUR/USD has charted a descending triangle on the 4-hour chart. The US NFP is expected to show that job growth accelerated in June. Above-forecast data may cause a temporary rise in the US dollar. EUR/USD has carved out a descending triangle pattern on the 4-hour chart ahead of the all-important US Nonfarm Payrolls report, scheduled for release at 12:30 GMT on Friday. A descending triangle comprises trendlines connecting lower highs and a strong support level.

INR: The rupee on Thursday opened 10 paise higher at 75.50 against the US dollar following gains in the domestic equity markets. The local currency consolidated in a narrow range of 75.40 and 75.60 (Spot) on Wednesday as dollar rose marginally against its major crosses ahead of the important private payrolls number that was released last evening.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	105.80	107.00			
GBP/KES	131.85	133.90	GBP/USD	1.2495	1.2380
EUR/KES	118.90	120.80	EUR/USD	1.1275	1.1235
INR/KES		1.4270	AUD/USD	0.6935	0.6905
			USD/INR	75.40	75.45
			Commodities		
			Gold	1774	1802
			Brent Crude	39.82	39.70

T-Bills Rates:

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

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