

## DAILY FX NEWSLETTER

06<sup>th</sup> July 2020

### Local Markets:

The Kenyan shilling weakened on Friday due to dollar demand from the energy and manufacturing sectors.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.80	107.00			
<b>GBP/KES</b>	132.05	134.10	<b>GBP/USD</b>	1.2505	1.2475
<b>EUR/KES</b>	119.25	121.10	<b>EUR/USD</b>	1.1295	1.1250
<b>INR/KES</b>		1.4470	<b>AUD/USD</b>	0.6980	0.6940
			<b>USD/INR</b>	74.45	74.60
			<b>Commodities</b>		
			<b>Gold</b>	1781	1785
			<b>Brent Crude</b>	43.12	40.11

### T-Bills Rates:

Duration	Current	Previous
91 Days	6.546%	6.700%
182 Days	7.048%	7.395%
364 Days	7.769%	8.194%

### Top News:

- Oil prices offered up a mixed market snapshot on Monday, with Brent crude edging higher, supported by tighter supplies, while U.S. benchmark WTI futures dropped on concern that a spike in coronavirus cases could curb oil demand in the United States.
- Gold prices edged higher on Monday as worries over a surge in coronavirus infections in the United States dented optimism about signs of a nascent economic recovery, prompting investors to seek the safe-haven metal.

### International Markets

**USD:** The dollar held steady against most currencies on Monday as investors awaited data expected to show the U.S. services sector stopped contracting and highlighting the economic recovery from the coronavirus pandemic. A steady rise of new coronavirus infections in the United States has discouraged some investors from taking on excessive risk, but most market participants remain focused on the growing likelihood that major economies will continue to recover.

**GBP:** GBP/USD extends Friday's recovery gains from 1.2438 amid broad US dollar weakness. BOE's Bailey warned over the negative rates during the weekend, Chancellor Sunak considering providing vouchers to favor hospitality and retail. UK-EU policymakers meet for Brexit negotiations, differences over fisheries, market access and level playing field can offer initial hurdles. UK Construction PMI, US ISM Non-manufacturing PMI will join virus updates to add burden on the pair watchers.

**EUR:** EUR/USD adds to Friday's gains and approaches the 1.1300 mark. German Factory Orders, EMU's Retail Sales, Sentix index next on tap. ISM Non-Manufacturing, Markit's Services/Composite PMI in the US docket. The single currency is extending the upbeat momentum at the beginning of the week and pushes EUR/USD to fresh 2-day highs in the boundaries of 1.13 the figure. EUR/USD is up for the second session in a row on Monday, always against the backdrop of the improved optimism among market participants and the persistent offered bias surrounding the buck.

**INR:** Asian markets are at four-month highs and the Indian rupee was on the recovery mode on Friday. That may give Dalal Street a bullish bias in Monday's trade. But it remains to be seen if that can help the domestic indices close higher.

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