

## DAILY FX NEWSLETTER

08<sup>th</sup> July 2020

### Local Markets:

The Kenyan shilling was stable on Tuesday supported by inflows from horticulture exports amid subdued dollar demand from merchandise importers.

### Top News:

- Oil prices eased in early trade on Wednesday as industry data showing a build in U.S. crude stockpiles and a forecast for U.S. crude output to fall less than anticipated in 2020 added to worries about oversupply.
- Gold steadied near a more than eight-year high on Wednesday, as worries over surging COVID-19 cases and hopes of more stimulus measures from the U.S. Federal Reserve lifted demand for the safe-haven metal.

### International Markets

**USD:** The dollar held onto gains on Wednesday as a resurgence of the coronavirus in the United States and the return of lockdowns in some countries boosted safe-haven demand for the U.S. currency. Risk sentiment was also undermined after Federal Reserve officials expressed concern that rising coronavirus cases could harm economic growth just as stimulus measures start to expire. On the day, traders will be looking to see whether the dollar's overnight gains will slow a recent rally in the yuan sparked by optimism about the outlook for Chinese equities.

**GBP:** GBP/USD prints four-day winning streak after easing from a three-week top the previous day. EU's Brexit negotiators reached London on Tuesday; informal talks will take place in the Whitehall during today. UK PM Johnson shows readiness to accept Australia-style deal, Brussels insists playing by their rule. UK Chancellor Rishi Sunak is expected to announce tax reliefs, spending vouchers in a bid to propel the economy, once again. GBP/USD rises to 1.2560 while heading into the London open on Wednesday.

**EUR:** EUR/USD ekes out small gains as US dollar stalls Tuesday's bounce. Risk sentiment remains tepid amid resurgent coronavirus risks. EU's long-term budget and recovery package talks in the spotlight. EUR/USD consolidates a tepid bounce from two-day lows near 1.1260 ahead of the European open, as the US dollar bounce seems to have fizzled despite the cautious market mood.

**INR:** USD/INR again confronts 38.2% Fibonacci retracement after piercing 100-day EMA. The pair's repeated failures to cross the key Fibonacci retracement level comprising lows marked since April favor the sellers. Bulls will look for entry beyond a descending trend line from June 19. USD/INR takes the bids near 74.96, up 0.08% during the initial hours of Indian session on Wednesday.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	105.95	107.15			
<b>GBP/KES</b>	132.90	134.95	<b>GBP/USD</b>	1.2570	1.2510
<b>EUR/KES</b>	119.30	121.15	<b>EUR/USD</b>	1.1285	1.1315
<b>INR/KES</b>		1.4425	<b>AUD/USD</b>	0.6955	0.6970
			<b>USD/INR</b>	74.80	74.75
			<b>Commodities</b>		
			<b>Gold</b>	1805	1792
			<b>Brent Crude</b>	42.96	42.80

### T-Bills Rates:

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

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