

## DAILY FX NEWSLETTER 10<sup>th</sup> July 2020

### **Local Markets:**

The Kenyan shilling weakened on Thursday due to increased dollar demand from the energy sector and general merchants as businesses reopen following recent easing of movement restrictions.

### **Top News:**

- Gold prices retreated on Thursday, a day after vaulting to nearly nine-year highs, as investors embraced the safe-haven greenback in the face of record U.S. coronavirus cases.
- Concerns about renewed coronavirus lockdowns in the United States outweighed signs of a recovery in U.S. gasoline demand on Thursday to keep a lid on oil prices.

### **International Markets**

**USD:** The dollar rallied from a four-week low on Thursday, as weaker U.S. stocks enhanced the currency's safe-haven appeal for investors following a surge in new coronavirus cases and a U.S. Supreme Court ruling on President Donald Trump's financial records. The dollar rally coincided with the Supreme Court ruling on Thursday that a New York prosecutor can obtain Trump's financial records. But it did prevent, at least for now, the Democratic-led House of Representatives from obtaining the same records.

**GBP:** GBP/USD consolidates the downside amid risk-aversion. Coronavirus fears offset UK fiscal stimulus optimism. UK turns down EU coronavirus vaccine scheme. Following a steady decline in the overnight trade, GBP/USD looks to extend the downside consolidative mode below 1.2600 in early Europe and remains vulnerable amid broad risk-aversion. The persistent surge in coronavirus cases in the US, concerns over the global economic rebound and Brexit uncertainty exert bearish pressure on the spot.

**EUR:** GBP/USD consolidates the downside amid risk-aversion. Coronavirus fears offset UK fiscal stimulus optimism. UK turns down EU coronavirus vaccine scheme. Following a steady decline in the overnight trade, GBP/USD looks to extend the downside consolidative mode below 1.2600 in early Europe and remains vulnerable amid broad risk-aversion. The persistent surge in coronavirus cases in the US, concerns over the global economic rebound and Brexit uncertainty exert bearish pressure on the spot.

**INR:** The rupee on Friday opened 16 paise down at 75.14 against the US dollar tracking weakness in the domestic equity market and amid strengthening dollar index. On the domestic front, the focus will now be on the industrial production number and weaker-than-expected economic data could keep the rupee under pressure. There are hopes that the number could contract by over 37 per cent in May as compared to a contraction of 18.3 per cent in the previous month.

### **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	106.20	107.40			
<b>GBP/KES</b>	133.45	135.55	<b>GBP/USD</b>	1.2595	1.2645
<b>EUR/KES</b>	119.50	121.45	<b>EUR/USD</b>	1.1280	1.1370
<b>INR/KES</b>		1.4400	<b>AUD/USD</b>	0.6940	0.6995
			<b>USD/INR</b>	75.15	74.85
			<b>Commodities</b>		
			<b>Gold</b>	1801	1822
			<b>Brent Crude</b>	41.76	43.20

### **T-Bills Rates:**

Duration	Current	Previous
91 Days	6.274%	6.546%
182 Days	6.759%	7.048%
364 Days	7.700%	7.769%

**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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