

DAILY FX NEWSLETTER

17th July 2020

Local Markets:

The Kenyan shilling weakened on Thursday due to strong dollar demand from players in the manufacturing and energy sectors.

Top News:

- Oil prices were unchanged on Friday, with trading marked by growing uncertainty about global recovery in fuel demand as new COVID-19 cases surge in several countries just as major producers get set to loosen production curbs.
- Gold steadied near the \$1,800 level on Friday after a sharp fall in the previous session, as worries over surging coronavirus cases and U.S.-China tensions underpinned its safe-haven appeal, although a stronger dollar capped gain.

International Markets

USD: The dollar held onto gains against most currencies as worries that a resurgence in the coronavirus is starting to curb economic activity drew safe-haven flows into the U.S. currency. Some investors say they are beginning to see troubling signs in recent data that a relentless surge in coronavirus infections is threatening the U.S. economy. Others point to a widening row between the United States and China as reason to avoid risky trades, which should keep the dollar in demand for the time being.

GBP: GBP/USD reverses the previous day's losses while extending pullback from 1.2537. Easing of lockdown measures in Leicester, hopes of health care funding pleases the bulls. UK employment figures flashed upbeat numbers but could not defy broad greenback strength. Russia accused of stealing coronavirus data, China's tussle with the US, UK continues. GBP/USD escalates the recovery moves to 1.2570, up 0.15% on a day, while heading into the London open on Friday. The Cable recently picked up the bids as risk reset renews the US dollar declines.

EUR: EUR/USD has recovered to 1.1390 from the NY session low of 1.1370. The bulls need to print a close above the long-held 200-week SMA on Friday. EU Summit risk looms, the bar of expectations has been set low. EUR/USD is trading well above the 200-week simple moving average (SMA) of 1.1333 at press time. The bulls have failed multiple times to establish a strong foothold above the 200-week SMA over the past few weeks.

INR: The rupee settled 3 paise lower at 75.18 (provisional) against the US dollar NSE 0.64 % on Thursday tracking strengthening American currency amid worries over mounting COVID-19 cases. Forex traders said rupee traded in a narrow range as strong dollar, foreign fund outflows and rising COVID-19 cases dragged the local unit down, while positive domestic equities supported the rupee and restricted the losses.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	106.65	107.85			
GBP/KES	133.85	135.90	GBP/USD	1.2575	1.2565
EUR/KES	121.30	123.25	EUR/USD	1.1400	1.1415
INR/KES		1.4470	AUD/USD	0.7010	0.7005
			USD/INR	75.05	75.15
			Commodities		
			Gold	1800	1810
			Brent Crude	43.24	43.49

T-Bills Rates:

Duration	Current	Previous
91 Days	6.011%	6.274%
182 Days	6.524%	6.759%
364 Days	7.464%	7.700%

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