

DAILY FX NEWSLETTER

24th July 2020

Local Markets:

The Kenyan shilling was under pressure on Thursday due to market players from broad sectors of the economy shoring up their dollar reserves after the shilling weakened to an all-time record low during the previous session.

Top News:

- Oil edged up on Friday as the dollar fell to an almost two-year low, although demand concerns stemming from rising coronavirus cases and U.S.-China tensions kept a lid on prices.
- Gold held steady on Friday enroute to its best week in more than three months, driven by an escalation in U.S.-China tensions, with investors also looking for a hedge against possible inflation as hopes for more stimulus measures grow.

International Markets

USD: The dollar was down on Friday morning in Asia, with the U.S. struggling to curb its surging number of COVID-19 cases. Combined with the looming expiry of some stimulus measures at the end of July as well as a record number of unemployment claims, investors are casting doubt over the U.S.' recovery prospects. "The USD bear case continues to sharpen with a break of the 94.65 March lows likely ushering in the next leg down," Westpac analyst Richard Franulovich told Reuters. The number of U.S. cases topped 4 million, with over 15.4 million cases globally as of July 24, according to Johns Hopkins University data.

GBP: GBP/USD extends pullback from 1.2728 to print fresh high since June 10. A falling trend line from March, high marked in June become immediate upside barriers. 200-day SMA, 61.8% Fibonacci retracement be the key supports. GBP/USD takes the bids near 1.2765, up 0.20% on a day, during the early Friday. The Cable surges to the multi-day high while keeping its trade momentum above 200-day SMA amid MACD.

EUR: EUR/USD remains bid above 1.16, having hit a low of 1.1589 in early Asia. July's PMI from Germany, Eurozone to provide cues on Friday. The Sino-US tussle poses risk to EUR/USD rally. EUR/USD advanced for the fifth straight day on Thursday, exceeding 1.16 in its longest daily winning streak in more than a month. The currency pair rose over 0.25% to reach 1.1627, the highest level since September 2018, and is currently trading near 1.1610.

INR: USD/INR eases from 74.96 while flashing a three-day winning streak. Falling wedge formation, bullish MACD keep the pair buyers hopeful. Sellers will have to refresh monthly low for immediate justification of strength. USD/INR recedes from 74.96 to 74.94 during the initial Indian session on Friday. In doing so, the pair takes a U-turn from 100-bar SMA despite flashing a third positive day and challenging the four-day high.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.20	108.40			
GBP/KES	136.40	138.45	GBP/USD	1.2750	1.2750
EUR/KES	124.25	126.15	EUR/USD	1.1615	1.1595
INR/KES		1.4600	AUD/USD	0.7095	0.7160
			USD/INR	74.80	74.50
			Commodities		
			Gold	1883	1869
			Brent Crude	43.33	44.32

T-Bills Rates:

Duration	Current	Previous
91 Days	6.112%	6.011%
182 Days	6.440%	6.524%
364 Days	7.370%	7.464%

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