

## DAILY FX NEWSLETTER

28<sup>th</sup> July 2020

### Local Markets:

The Kenyan shilling was stable on Monday but was forecast to weaken due to end-month dollar demand from oil and merchandise importers.

### Top News:

- Oil was up on Tuesday morning in Asia, backed by hopes that the U.S. will pass another stimulus bill which put pressure on the dollar and supported equities.
- Gold jumped more than 1% to a fresh record on Tuesday, as a weaker U.S. dollar and hopes of more stimulus measures to combat the economic blow from the pandemic drove investors towards the safe-haven metal.

### International Markets

**USD:** The dollar nursed losses on Tuesday, after slumping to a two-year low, as investors worry about the damage from the coronavirus to the U.S. economy and await the latest outlook from the Federal Reserve and the passage of a new fiscal rescue package. The U.S. currency's drop has put a rocket under gold prices and has the yen standing near its highest in four months, the euro just below a 22-month high and the kiwi close to its strongest since January.

**GBP:** GBP/USD repeats failure to cross 1.2900, stays near the highest since March 11. Brexit woes continue despite recently optimistic comments from EU's Bariner. UK-US trade deal gets another boost, coronavirus EY Chief Economist warns that Britain might not recover until 2024. Hopes of US fiscal stimulus increase as policymakers talk the deal. GBP/USD snaps seven-day winning streak while declining to 1.2855, down 0.21% on a day, during the pre-London open on Tuesday. The Cable earlier refreshed the 4.5-month. Though, the latest US dollar pullback from over two-year lows seems to attack the major currencies.

**EUR:** EUR/USD drops to 1.1722 from 1.1773 on broad-based dollar recovery. Technical indicators continue to show oversold conditions in the US dollar. Dollar recovery may be short-lived due to dovish Fed expectations. The EUR/USD pair looks to have lost some bullish impetus ahead of the London open with the battered US dollar witnessing an oversold bounce across the globe, although the overall trend still remains constructive. The pair is trading 1.1722 at press time, representing a 0.24% decline on the day, having put in a high of 1.1773 during the Asian trading hours.

**INR:** USD/INR struggles to keep recovery moves from 74.70 to attack five-week-old resistance line. Normal RSI suggests further recovery, 200-bar SMA adds to upside barrier. Downside break of 74.45 signals further downside to late-March low. USD/INR eases from intraday high of 74.87 to 74.84 during the initial Indian session on Tuesday.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.00	108.25			
<b>GBP/KES</b>	137.45	139.50	<b>GBP/USD</b>	1.2870	1.2835
<b>EUR/KES</b>	125.40	127.35	<b>EUR/USD</b>	1.1745	1.1710
<b>INR/KES</b>		1.4600	<b>AUD/USD</b>	0.7150	0.7140
			<b>USD/INR</b>	74.65	74.65
			<b>Commodities</b>		
			<b>Gold</b>	1931	1929
			<b>Brent Crude</b>	43.87	43.64

### 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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