

DAILY FX NEWSLETTER
27th March 2020

Local Markets:

The Kenyan shilling strengthened on Thursday due to receding dollar demand from retailers and manufacturers amid slowing economic activity due to the new coronavirus outbreak.

Top News:

- Oil prices rose on Friday after world leaders promised a massive injection of funds to limit the economic fallout from the coronavirus pandemic, despite fears the outbreak will destroy demand for oil.
- Gold eased on Friday as some investors booked profits after prices hit a two-week high in the last session amid hopes for further stimulus to curb the coronavirus' economic toll, but the metal was headed for its best weekly gain in more than 11 years.

International Markets

USD: The dollar was on track for its biggest weekly fall in more than a decade on Friday as a series of stimulus measures around the world, including a \$2.2 trillion U.S. package, helped temper a rout in global markets triggered by the coronavirus pandemic. Data showing an unprecedented rise in U.S. jobless claims underscored the virus' devastating impact on the economy, but subsequent rise in Wall Street shares raised hopes that a torrent of selling in risk assets may have run its course for now.

GBP: GBP/USD remains mildly positive near the highest in nine days, pulls back recently. Coronavirus cases in the UK surge, the US dethrones China as the most infected nation. The EU-UK Brexit talks stalled; UK PM Johnson accused to put Brexit over breathing. While joining the chorus to cheer the US dollar weakness, GBP/USD pierces 1.2300, currently up 0.50% around 1.2265, ahead of the London open on Friday. In doing so, the Cable takes clues from the coronavirus (COVID-19) outbreak at home as well as Brexit pessimism.

EUR: Dollar sell-off is again fueling gains in EUR/USD, pushing the pair higher to key average hurdle. Downside risks persist as the virus outbreak is showing no signs of slowing down in the Eurozone. Dollar sellers continue to dominate the proceeding in the FX markets on the last trading day of the week, pushing EUR/USD higher to the 200-day average hurdle lined up at 1.1082.

INR: USD/INR extends losses from the record top. RBI announces 75 basis points (bps) of the interest rate cut. MACD teases bears, 21-day SMA offers nearby support. Given the RBI's emergency rate cut of 75 bps, USD/INR drops to 74.62, intraday low of 74.46, while heading into the European open on Friday. While the Indian central bank's rate cut recently weighed on the pair, the quote took a U-turn from record top during the previous day.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	104.40	105.40			
GBP/KES	127.85	129.55	GBP/USD	1.2271	1.1860
EUR/KES	115.30	116.95	EUR/USD	1.1073	1.0920
INR/KES		1.4320	AUD/USD	0.6115	0.5925
			USD/INR	74.30	75.21
			Commodities		
			Gold	1644	1624
			Brent Crude	25.55	27.23

T-Bills Rates:

Duration	Current	Previous
91 Days	7.240%	7.275%
182 Days	8.118%	8.030%
364 Days	9.045%	9.051%

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