

DAILY FX NEWSLETTER

9th November 2018

Local Markets:

The home currency traded within a tight range of 101.60/101.90 against the dollar during the morning session on Thursday as flows remained well matched for the better half of the day. The shilling then weakened to 101.75/102.05 in late afternoon trade, and closed at these same levels, amid an uptick in demand from oil & merchant importers.

Top News:

- Oil markets on Friday remained weak as rising supply and concerns of an economic slowdown pressured prices, with U.S. crude now down by around 20% since early October.

International Markets:

USD: The dollar gained versus major rivals on Friday as the U.S. Federal Reserve kept interest rates unchanged at 2.0%-2.25% at the conclusion of its two-day policy meeting, but delivered an upbeat assessment of the economy and labor market, reaffirming expectations for a December rate hike. The US released Initial Jobless Claims for the week ended November 2, which resulted as expected as 214K, while the previous week reading was upwardly revised to 215K. The US Federal Reserve brought no surprises, leaving rates unchanged as largely expected and maintaining a hawkish stance, paving the way for a December hike with an upbeat assessment of the economy. Friday's macroeconomic releases will include the preliminary Michigan Consumer Sentiment Index for November, expected at 98.0 from the previous 98.6 as well as the PPI and core PPI readings.

GBP: The pound is trading back into \$1.3050 heading into Friday's data-packed UK market outing as the cable begins to slip away from mid-week peaks of \$1.3175 on broad-based greenback strength. Britain sees a hefty data dump Friday morning, with Business Investment, Manufacturing Production, Industrial Production, Trade Balance and Services Index, but the key numbers for the week's end will be the kingdom's GDP reading. Sterling bulls will be hoping for a month-on-month print of 0.1% (last 0.0%), while the quarter-on-quarter release for 2018's third quarter is expected to improve to 0.6% (last 0.4%). The sterling is likely to trade within a range with support seen at \$1.3010 and resistance at \$1.3100.

EUR: The euro faded a minor uptick to an intraday level of \$1.1445 and was seen extending an overnight retracement slide from over two-week tops to the \$1.1345-65 band as the single currency met with some fresh supply triggered by a strong follow-through of dollar buying interest. No relevant macroeconomic figures were published yesterday, although the common currency was hurt by the European Commission autumn economic forecast which lowered growth perspectives. Today's data docket also remains empty and the euro is likely to trade within a range with support seen at \$1.1310 and resistance at \$1.1380.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.50	102.30			
GBP/KES	132.60	133.65	GBP/USD	1.3050	1.3135
EUR/KES	115.30	116.35	EUR/USD	1.1345	1.1435
INR/KES		1.4070	AUD/USD	0.7245	0.7285
			USD/INR	72.75	72.15
			Commodities		
			Gold	1220	1225
			Brent Crude	70.69	72.00

T-Bills Rates:

Duration	Current	Previous
91 Days	7.349%	7.387%
182 Days	8.302%	8.317%
364 Days	9.520%	9.519%

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