

**DAILY FX NEWSLETTER**  
**26<sup>th</sup> November 2018**

**Local Markets:**

The local unit remained stable on Friday, trading within a range of 102.30/102.70 as flows remained well matched through the session.

Focus this week turns to the Central Bank MPC meeting that takes place on Tuesday.

**Top News:**

- Asian shares were on a slippery slope as plunging oil prices fanned worries about a dimming outlook for the global economy. Investors are now looking to a G-20 meeting later this week for signs of a thaw in the Sino-U.S. trade conflict.

**International Markets:**

**USD:** The dollar rose on Friday, posting its biggest weekly percentage increase in a month, as risk appetite declined and investors sought the currency's safety after last week's capitulation in oil prices suggested that the global economic recovery was losing steam. The data docket remains empty for today

**GBP:** The sterling remained under some selling pressure through the mid-European session on Friday and dropped to \$1.2795 after the former UK Brexit Secretary Raab said that the British parliament will vote down the UK PM Theresa May's Brexit deal. However, the special summit of the European Union on Brexit at the weekend ended with an approval of the deal that sets the path for the divorce between the UK and the EU and the next critical step will be a vote in the UK's House of Commons, where Eurosceptics have been consistently threatening to veto Prime Minister Theresa May's Brexit agreement. The agreement was largely priced in by markets and the sterling failed to make a major move to the upside, now hovering around the \$1.2820 level in early Monday action. No data is slated for release today and the sterling is likely to trade within a range with support seen at \$1.2770 and resistance at \$1.2880.

**EUR:** After an initial uptick to the \$1.1420 region, the euro met with some aggressive supply and tumbled to lows of \$1.1330. The sudden fall coincided with the disappointing release of German flash manufacturing PMI, which plunged to a 32-month low level of 51.6 in Nov. Adding to this, the flash German Composite Output Index hit a 47-month low level of 52.2 in Nov., down from Oct.'s 53.4 and pointed to a sustained loss of underlying growth momentum in the Euro-zone's largest economy. The selling pressure remained unabated after yet another disappointment from the flash Euro-zone manufacturing/services PMI prints, falling to 51.5 (30-month low) and 53.1 (47-month low) in Nov. from previous month's 52.0 and 53.7 respectively. The pair trades dovish ahead of Draghi's speech in which investors are expected to focus on details of the Eurozone economy, interest rates and Italy. On the macro front, the German Ifo Business climate index is the only data slated for release today. The euro is likely to trade within a range with support seen at \$1.1300 and resistance at \$1.1390.

**Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	102.00	103.10			
<b>GBP/KES</b>	131.05	132.10	<b>GBP/USD</b>	1.2820	1.2880
<b>EUR/KES</b>	115.95	117.10	<b>EUR/USD</b>	1.1350	1.1415
<b>INR/KES</b>		1.4600	<b>AUD/USD</b>	0.7250	0.7245
			<b>USD/INR</b>	70.55	70.50
			<b>Commodities</b>		
			<b>Gold</b>	1231	1228
			<b>Brent Crude</b>	59.93	61.88

**T-Bills Rates:**

Duration	Current	Previous
91 Days	7.342%	7.347%
182 Days	8.245%	8.320%
364 Days	9.570%	9.512%

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