DAILY FX NEWSLETTER
19th December 2018

Local Markets:

The Kenyan shilling firmed against the dollar on Tuesday supported by tight liquidity in the local money market amid subdued demand from merchant importers.

Indicative FX rates as at 8.30am:

Currency	*Buying*	*Selling*	*Currency*	*Today*	*Previous*
USD/KES	102.10	102.60			
GBP/KES	129.00	130.00	*GBP/USD*	1.2670	1.2660
EUR/KES	116.00	117.10	*EUR/USD*	1.1395	1.1380
INR/KES		1.4710	*AUD/USD*	0.7220	0.7210
			USD/INR	70.10	71.30
			Commodities		
			Gold	1251	1248
			Brent Crude	56.60	58.81

T-Bills Rates:

Duration	*Current*	*Previous*
91 Days	7.348%	7.343%
182 Days	8.240%	8.239%
364 Days	9.591%	9.573%

Top News:

- Asian share market second string to bonds on Wednesday as a spectacular fall in price od oil spurred speculation the US Federal Reserve might be done with tightening after its policy meeting later in the session.

- Oil prices rebounded on Wednesday after falling for the past three session with worries about oversupply and a slowing global economy keeping markets under pressure through sentiment may be shifting as falling equity markets seemed to stabilize.

International Markets:

USD: The U.S. dollar slipped on Wednesday in Asia as the Federal Reserve got its two-day meeting underway.
The U.S. Dollar Index that tracks the greenback against a basket of other currencies fell by 0.2% to 96.343 by 12:01 AM ET (05:01 GMT)

GBP: sterling's lift faces plenty of resistance in the near-term, with major technical levels and Brexit headlines both weighing on the GBP. With markets thinning out for the Christmas holidays, investors are already keeping their eyes turned towards January's high-impact activities. GBP/USD is continuing to drift higher, tapping into 1.2670 in early Wednesday action thanks to a softening US Dollar, but broader market sentiment remains prone to risk shocks as investors fear a global growth slowdown, and Brexit continues to hang over the Sterling as an ever-present reminder that January is likely to unwind any gains seen in the interim

EUR: The EUR/USD pair continued scaling higher through the mid-European session and jumped to over one-week tops, around the 1.1400 handle in the last hour.
Having posted a session low near the 1.1335 region, the pair managed to regain positive traction for the second consecutive session and the up-move was supported by broad-based US Dollar weakness. Expectations that the Fed might slow, or even pause its rate hike cycle in 2019 continued exerting downward pressure on the greenback and turned out to be one of the key factors driving the pair higher.

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