

DAILY FX NEWSLETTER 31st December 2018

Local Markets:

The Kenyan shilling remained stable against the dollar, with slim volume of transactions as most business are closed this festive session.

Top News:

- Asian stocks crept higher on Monday as hints of progress on the Sino – US trade standoff provided a rare glimmer of optimism in what has been a rough year end for equities globally
- Oil prices climbed on the last day of the year on Monday, mirroring gains in the stock markets, but were on track for the first yearly decline in three years amid lingering concerns of a persistent supply glut.

International Markets:

USD: The dollar traded narrowly against its peers on Monday, as risk sentiment remained fragile over heightened concerns of slowing global growth and a partial U.S. government shutdown. Markets will be closely watching the progress of trade talks between Washington and Beijing in the new year. In a tweet which would come as a sigh of relief to the markets, U.S. President Donald Trump said on Sunday that he had a "long and very good call" with his Chinese counterpart Xi Jinping and that a possible trade deal between the United States and China was progressing well.

GBP: The Sterling's sideways range is a nice reprieve after months of hard Brexit selling. 2019 promises to open with more selling as Brexit looks to remain a dramatic downside factor. GBP/USD continues to play into the middle, firmly planted just south of the 1.2700 handle as apprehensive Cable traders see little reason to buy heading into the January Brexit gauntlet.

EUR: Major markets are missing their key participants as volumes wither, leaving the FX marketplace to middle. Plenty of concerns will be following investors through the doors into 2019. EUR/USD is seeing some downside play in thin Asian markets, testing into 1.1425 as the major pair struggles within trading ranges established late last week.

Indicative FX rates as at 8.30am:

<i>Currency</i>	<i>Buying</i>	<i>Selling</i>	<i>Currency</i>	<i>Today</i>	<i>Previous</i>
USD/KES	101.60	102.20			
GBP/KES	129.00	129.60	GBP/USD	1.2710	1.2676
EUR/KES	116.00	116.95	EUR/USD	1.1460	1.1470
INR/KES		1.4700	AUD/USD	0.7070	0.7060
			USD/INR	69.80	70.00
			<i>Commodities</i>		
			Gold	1278	1277
			Brent Crude	53.70	53.13

T-Bills Rates:

<i>Duration</i>	<i>Current</i>	<i>Previous</i>
91 Days	7.342%	7.341%
182 Days	9.002%	8.257%
364 Days	9.952%	9.735%

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