

## DAILY FX NEWSLETTER

17<sup>th</sup> January 2019

### Local Markets:

The Kenyan shilling gained ground against the greenback on Wednesday, after having weakened slightly the previous trading session.

USDKES opened at 101.70/102.00 and was trading lower at 101.60/101.90 in the afternoon session before closing at those levels for the day.

### Top News:

- Asia Pacific shares gave up early gains on Thursday despite strong quarterly earnings in the U.S. and after the U.K. government won a parliamentary confidence vote. Worries over China likely weighed on market sentiment after China's Central Bank pumped 560 billion yuan (\$83 billion) into its banking system, which was a record amount of money injected in one day, alleviating concerns of a potential funding squeeze.

### International Markets:

**USD:** The dollar took a breather on Thursday following its recent strong gains against key rivals, pressured by recent comments from Fed officials suggesting that they are in no hurry to raise interest rates further against a backdrop of slowing global growth. On the data front, U.S. import prices fell for a second straight month in December with Import Prices contracting 1.0% MoM in December and Export Prices followed suit, down 0.6% from a month earlier. Due for release today are Building permits, goods trade balance data, housing starts, the Philly Fed manufacturing index and lastly, initial jobless claims data.

**GBP:** The pound held on to the day's gains on Wednesday, hovering close to the \$1.2900 barrier, as British Prime Minister Theresa May survived the motion of a no-confidence vote, a day after MPs defeated her Brexit divorce deal. The sterling remained apathetic after UK's inflation figures showed consumer prices rose at a monthly 0.2% and 2.1% from a year earlier. The economic calendar is free of any UK data for Thursday, but with traders focused entirely on Brexit regardless, all eyes will be on continued headlines focusing on PM May as she scrambles to get a workable plan together in time for Monday. The sterling is likely to trade within a range with support seen at \$1.2840 and resistance at \$1.2920.

**EUR:** The single currency continued to consolidate around \$1.1400, moving sideways all day on Wednesday. The latest data from the Eurozone gave investors little reason to buy into the shared currency with Germany's final December CPI report showing that inflation slowed from 2.3% to 1.7%. Demand for the Euro however, could be driven by any surprising prints in today's Eurozone Consumer Price Index (CPI) inflation rate report which is expected to have slowed from 1.9% to just 1.6% year-on-year. The euro is likely to trade within a range with support seen at \$1.1340 and resistance at \$1.1430.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	101.30	102.40			
<b>GBP/KES</b>	130.70	131.90	<b>GBP/USD</b>	1.2875	1.2865
<b>EUR/KES</b>	115.50	116.70	<b>EUR/USD</b>	1.1390	1.1410
<b>INR/KES</b>		1.4350	<b>AUD/USD</b>	0.7155	0.7200
			<b>USD/INR</b>	71.25	71.05
			<b>Commodities</b>		
			<b>Gold</b>	1291	1289
			<b>Brent Crude</b>	61.00	60.73

### T-Bills Rates:

Duration	Current	Previous
91 Days	7.200%	7.316%
182 Days	8.935%	8.997%
364 Days	9.958%	10.011%

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