

DAILY FX NEWSLETTER

1st January 2019

Local Markets:

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

Kenya's economy expanded by 6 percent in the third quarter of 2018 compared with a 4.7 percent growth rate in the same period in 2017 due to strong performance in the agriculture and constructions sectors.

Kenya's annual inflation rose to 5.7 percent in December from 5.6 percent a year earlier.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.60	102.20			
GBP/KES	129.50	130.50	GBP/USD	1.2770	1.2710
EUR/KES	116.50	117.20	EUR/USD	1.1480	1.1460
INR/KES		1.4750	AUD/USD	0.7035	0.7070
			USD/INR	69.50	69.80
			Commodities		
			Gold	1285	1278
			Brent Crude	53.36	53.70

T-Bills Rates:

Duration	Current	Previous
91 Days	7.342%	7.341%
182 Days	9.002%	8.257%
364 Days	9.952%	9.735%

Top News:

- Asian shares turned tail on the first day of the new year as more disappointing economic data from China darkened the mood and erased early gains in the U.S stock futures.
- Oil prices fell on Wednesday on the back of surging U.S crude production and concerns about an economic slowdown in 2019, as China factory activity showed signs of contraction.

International Markets:

USD: Safe-haven currencies such as the yen rose against the dollar on Wednesday, as a cautious mood prevailed on the first trading day of the year on concerns over global growth, the U.S. government shutdown and a slower pace of Federal Reserve rate hikes. The yen gained 0.3 percent against the dollar to 109.39 in Asian trade. Trading volumes remained light as global markets reopened after the New Year's Day holiday. Japanese markets remain closed on Wednesday. The yen has strengthened for three straight weeks on investors' lower appetite for risk

GBP: GBP/USD is starting out the New Year at the pivot following a last-minute rally on the back of successive Brexit headlines ahead of crunch time politics in the UK. GBP/USD is currently trading at 1.2750 within the start of the year's range, so far, of between 1.2729 and 1.2761.

EUR: EUR/USD heads into 2019's first European market session struggling to hold onto 1.1450 as Wednesday sees the US Dollar take a leg up, with broader market sentiment twisting towards the downside, though thin market volumes and restrained trading outside of the Pacific sector is seeing the Fiber still buried deeply within familiar levels

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