

DAILY FX NEWSLETTER

3rd January 2019

Local Markets:

The Kenyan shilling was stable on Wednesday but expected some weakening amid increased demand for the hard currency from oil importers as business activity resumed after the Holiday.

Top News:

- U.S stock futures fell on Thursday after a rare revenue warning from Apple Inc added to worries about slowing global growth, but a move by China Central Bank to help struggling smaller firms lifted shares there, cushioning losses for the Asian markets.
- Oil prices fell on Thursday amid volatile currency and stock markets and as analysts warned of an economic slowdown for 2019 just as crude supply is rising globally.

International Markets:

USD: The Japanese yen jumped on Thursday in Asia after Apple Inc. issued a rare revenue warning that triggered a risk-aversion mood in markets. The USD/JPY pair declined 1.5% to 107.21 by 11:23 GMT (04:23 GMT). The gain in yen came after Apple lowered its forecast to \$84 million in revenue for its fiscal first quarter ended Dec. 29, underperforming analysts' expectations of \$91.5 billion.

GBP: GBP/USD is trading into 1.2550 after an early Thursday plunge into 1.2396, and forex markets continue to recover from a risk-off shock fueled by thin volumes and concerned investors who pile into safe havens at every sign of a steepening global growth slowdown.

EUR: EUR/USD is trading into 1.1370 heading through the Pacific-Asia market session, lifting from Thursday's early low of 1.1307 thanks to a broad-market decline on renewed risk aversion, but the Euro is heading through the day's action on a notably bullish note, lifting through thin Asian trading. Thursday brings a smattering of low-tier economic data for the European Union, but most traders will be buckling down for Friday's mega-showing, with critical EU inflation figures due at 10:00 GMT, where investors will be hoping that annualized EU inflation manages to hold steady at the 1% level, while forecasts are also calling for a slide in PPI readings, with the annualized number for December expected to decline from 4.9% to 4.1%

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.80	102.40			
GBP/KES	127.70	128.60	GBP/USD	1.2560	1.2770
EUR/KES	115.80	116.60	EUR/USD	1.1380	1.1480
INR/KES		1.4610	AUD/USD	0.6950	0.7035
			USD/INR	70.40	69.50
			Commodities		
			Gold	1288	1285
			Brent Crude	54.27	53.36

T-Bills Rates:

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

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