

DAILY FX NEWSLETTER

4th January 2019

Local Markets:

The Kenyan shilling was under pressure against the dollar on Thursday due to increased demand for the hard currency from goods importers as the pace of business accelerate in the new year.

Top News:

- Financial Markets were on edge on Friday as weak U.S economic data added to fears of a global slowdown and pushed investors to bet the Federal Reserve could reverse policy and start cutting interest rates before the end of this year.
- Oil prices steadied on Friday after China said it would hold talks with Washington on Jan 7-8 aimed at solving trade disputes between the two world biggest economies.

International Markets:

USD: The Japanese yen fell against the U.S. dollar while the Chinese yuan gained on Friday in Asia on hopes that the upcoming U.S.-China trade talks would make some progress.

The USD/JPY pair traded 0.7% higher at 108.35 by 10:57 PM ET (03:57 GMT). The USD/CNY pair slipped 0.1% to 6.8643. Market sentiment recovered somewhat after the Commerce Ministry confirmed in a statement that the U.S. and China would begin another round of trade talk next week. Deputy U.S. Trade Representative Jeffrey Gerrish will lead the U.S. delegation for the negotiations on Jan. 7 and 8.

GBP: GBP/USD is trading just shy of 1.2650, trading flatly with little signs of upside momentum despite a steady climb from the bounce following Thursday's risk-off plummet. The Pound drifted higher through Thursday's trading as the US Dollar shoved lower on investor fears of economic contagion, with a global growth slowdown beginning to show up in US data much sooner than expected. On the UK side, the House of Commons is due to vote on PM May's broadly-maligned Brexit withdrawal agreement, where the halfway deal is expected to lose soundly.

EUR: EUR/USD continues to test into the 1.1400 major technical level, continuing a bounce from the low end of a sideways channel, and the major pairing heads into a Friday session that sees market focus shifting towards another key reading of the US' Non-Farm Payrolls. Economic data for the EU is spread out for Friday, with the German Unemployment Change for December coming in at 08:55 (forecast -11 thousand, last -16 thousand), followed closely behind by the EU's December Market Services PMI at 09:00 GMT, forecast to hold steady at 51.4

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.95	102.45			
GBP/KES	128.90	129.60	GBP/USD	1.2670	1.2560
EUR/KES	116.10	116.90	EUR/USD	1.1450	1.1380
INR/KES		1.4730	AUD/USD	0.7040	0.6950
			USD/INR	69.90	70.40
			Commodities		
			Gold	1295	1288
			Brent Crude	56.11	54.27

T-Bills Rates:

Duration	Current	Previous
91 Days	7.316%	7.342%
182 Days	8.997%	9.002%
364 Days	10.011%	9.952%

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