

DAILY FX NEWSLETTER 10th December 2019

Local Markets:

The Kenyan shilling firmed against the dollar on Monday supported by tightening liquidity in the local money market and inflows from diaspora remittances.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.20	101.55			
GBP/KES	133.00	133.80	GBP/USD	1.3170	1.3160
EUR/KES	111.90	112.55	EUR/USD	1.1078	1.1080
INR/KES		1.4420	AUD/USD	0.6840	0.6845
			USD/INR	70.80	71.10
			Commodities		
			Gold	1462	1461
			Brent Crude	64.19	64.14

T-Bills Rates:

Duration	Current	Previous
91 Days	7.162%	7.162%
182 Days	8.201%	8.204%
364 Days	9.804%	9.803%

Top News:

- Asian equity markets ticked down on Tuesday, tracking Wall Street losses as investors fretted over a Dec. 15 deadline for the next round of U.S. tariffs on Chinese imports to take effect.
- Oil prices dropped on Tuesday for a second straight session as the cons of a slowing global demand outlook outweighed the pros of OPEC's agreement with associated producers at the end of last week to deepen crude output cuts in early 2020.

International Markets:

USD: The dollar and yen held the safe-haven high ground on Tuesday, with investors on edge ahead of a looming tariff deadline, the UK election and upcoming central bank meetings in Europe and the United States. Front of mind is whether Washington will go ahead with a fresh round of tariffs on Sunday, or whether a deal with China can be reached before then.

GBP: GBP/USD stays firm around the highest since April. UK PM gets criticism over the leaked document, failure to sympathize with the hospitalized boy in the final countdown to December 12 election. UK Manufacturing/Industrial Production, trade balance and monthly GDP to decorate the British economic calendar. GBP/USD remains mildly bid around 1.3150 ahead of the London open on Tuesday. The pair surged to April month high during the previous day but languishing lead of the ruling Conservatives over the opposition Labour Party dragged it from further upside.

EUR: Euro is struggling to find bids despite an impending bull cross of key averages. The odds appear stacked in favor of a bearish move. A big beat on German ZEW number is needed to mitigate bearish pressures. EUR/USD is struggling to gather upside traction despite an impending bullish crossover of key moving averages (MA)

INR: USD/INR extends the previous day's downpour to the sub-71.00 region, USD keeps the losses. Swaps indicate no more rate cuts from the RBI, fears of trade war keep bulls in check. Data from China suggest improvement in price pressure, imports also surged during the weekend. USD/INR declines to 70.9150 amid the initial Indian trading session on Tuesday. The pair recently benefited from upbeat China data and calls of no more rate cuts from the Reserve Bank of India (RBI).

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