

DAILY FX NEWSLETTER

11th December 2019

Local Markets:

The Kenyan shilling was firm against the dollar on Tuesday supported by inflows from diaspora remittances and offshore investors buying stocks.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.25	101.65			
GBP/KES	133.00	133.85	GBP/USD	1.3155	1.3170
EUR/KES	112.20	112.85	EUR/USD	1.1100	1.1078
INR/KES		1.4450	AUD/USD	0.6830	0.6840
			USD/INR	70.70	70.80
			Commodities		
			Gold	1463	1462
			Brent Crude	64.00	64.19

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 stocks drifted on Wednesday as Sino-U.S. trade talks showed little progress ahead of a weekend deadline for the imposition of additional U.S. tariffs, and the pound wobbled as opinion polls pointed to a tight British election on Thursday.
- Oil prices fell on Wednesday after industry data showed an unexpected build in crude inventory in the United States and as investors waited for news on whether a fresh round of U.S. tariffs on Chinese goods would take effect on Sunday.

International Markets

USD: The U.S. dollar inched up on Wednesday in Asia as traders awaited news on the Federal Reserve meetings and Sino-U.S. trade news. The U.S. Dollar Index last traded at 97.485 by 11:46 PM ET (03:46 GMT), up 0.1%. The Federal Reserve decides on interest rates on Wednesday, followed by a press briefing from Chairman Jerome Powell. The Fed's Open Market Committee is expected to keep interest rates on hold later in the day.

GBP: GBP/USD tries to overcome market pessimism spread through the YouGov MRP poll. The recent polls tilt towards a hung parliament, Tories get broad criticism. The US Fed's dot plot, Powell's speech will be the key to watch. GBP/USD consolidates the early-day losses to 1.3145, -0.35% on the day, while heading towards the London open on Wednesday

EUR: The Dec. 4 high of 1.1116 is the level to beat for the EUR bulls. The Federal Reserve (Fed) is expected to keep rates unchanged. Markets have priced in the rate cut pause. Dollar to take a beating if the Fed cites higher inflation as a prerequisite for a rate hike. EUR/USD is currently lacking a clear directional bias and needs to break above the Dec. 4 high of 1.1116 to confirm a short-term bullish trend.

INR: USD/INR registers three-day losing streak. The USD bounces off ahead of the FOMC, trade war fears prevail. Fed is widely anticipated to stand pat, rate outlook for 2020, Powell's speech in focus. With the USD/INR pair sellers catching a breath around five weeks' low, the quote seesaws near 70.84 amid initial Indian market trading on Wednesday

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