

DAILY FX NEWSLETTER
16th December 2019

Local Markets:

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

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.30	102.00			
GBP/KES	135.40	136.50	GBP/USD	1.3400	1.3490
EUR/KES	112.50	113.65	EUR/USD	1.1150	1.1190
INR/KES		1.4460	AUD/USD	0.6885	0.6935
			USD/INR	70.90	70.70
			Commodities		
			Gold	1476	1468
			Brent Crude	65.03	64.65

T-Bills Rates:

Duration	Current	Previous
91 Days	7.151%	7.162%
182 Days	8.107%	8.201%
364 Days	9.798%	9.804%

Top News:

- A broad gauge of Asian share markets hit nearly eight-month highs on Monday after the United States and China agreed a preliminary trade deal, and amid policy-easing hopes in Australia, but profit-taking and caution over the deal's details capped gains.
- Oil prices on Monday slid off near three-month highs hit last week as investors searched for clarity beyond the initial impact of a trade deal between the United States and China that's expected to boost flows between the top two global economies.

International Markets

USD: The Chinese yuan and the U.S. dollar both fell on Monday in Asia as the trade deal roller-coaster ride continued. Under the deal, U.S. President Donald Trump vowed not to pursue a new round of tariffs set for Sunday. In return, Beijing said it would substantially increase agricultural purchases, although it did not specify how much.

GBP: GBP/USD recovers nearly 90-pips from Friday's NY low of 1.3306. Brexit optimism to keep the sentiment lifted around the pound. Focus remains on the UK Markit Preliminary PMIs ahead of BOE. The pound remains supported by the UK PM Johnson's commitment to sailing the UK out of the European Union (EU) swiftly before January 31st, 2020 after his Conservatives Party secured a landslide majority in the historic election held last Thursday.

EUR: EUR/USD created a bearish inverted hammer candle on Friday, establishing 1.12 as key resistance. A bearish hammer reversal would be confirmed if the spot closes Monday below 1.1102. Better-than-expected German PMI is needed to avoid a bearish close. EUR/USD charted a bearish inverted hammer candlestick pattern on Friday, aborting the immediate bullish view and establishing 1.12 as the level to beat for the bulls.

INR: USD/INR created an inverted hammer on Friday, neutralizing the immediate bearish setup. A close above the hammer's high of 70.88 is needed to confirm a bullish reversal. USD/INR created an inverted hammer candlestick pattern on Friday, snapping a four-day losing streak.

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