

DAILY FX NEWSLETTER 20th December 2019

Local Markets:

The Kenya Shilling KES strengthened against the dollar on Thursday supported by inflows from tourism and diaspora remittances amid slow demand from importers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.50	101.10			
GBP/KES	130.75	131.35	GBP/USD	1.3032	1.3095
EUR/KES	111.65	112.25	EUR/USD	1.1130	1.1139
INR/KES		1.4400	AUD/USD	0.6900	0.6890
			USD/INR	71.05	70.81
			Commodities		
			Gold	1482	1480
			Brent Crude	66.64	66.20

T-Bills Rates:

Duration	Current	Previous
91 Days	7.177%	7.151%
182 Days	8.125%	8.107%
364 Days	9.789%	9.798%

Top News:

- Gold prices inched lower on Friday due to increased risk appetite on hopes of an interim China-U.S. deal being signed soon and as investors awaited the release of U.S. gross domestic product data.
- Oil prices held steady near three-month highs on Friday, heading for a third consecutive weekly rise, on the back of easing China-U.S. trade tensions that have weighed on demand as well as the global economic growth outlook.

International Markets

USD: With the release of a series of data, the U.S. dollar gained some ground on Friday in Asia after declining for two weeks. The greenback has made a slight comeback after drifting further on Thursday on the news of U.S. President Donald Trump's impeachment by the House of Representatives.

GBP: GBP/USD bounces off 12-day low amid optimism surrounding the Brexit. The UK government has already said pass Brexit deal legislation through Commons by January 09. The UK/US economic calendar will also direct near-term trade direction. The GBP/USD pair benefits from the Brexit optimism while taking the bids to 1.3020 ahead of the London open on Friday. The cable traders turn confident of the faster/smooth Brexit ahead of the House of Commons' voting on the UK PM's Brexit bill.

EUR: Long-upper wick attached to the weekly candle is signaling bull exhaustion. EUR/USD will likely suffer a deeper drop if the US data blows past expectations. EUR/USD bulls need a weekly close above a falling trendline hurdle. EUR/USD is looking heavy ahead of the key US data release. The pair's weekly candle now has a long upper shadow, which is a telltale sign of buyers running out of steam above the resistance of the trendline falling from September 2018 and June 2019 highs.

INR: Rupee on Friday opened 10 paise down at 71.14 against the US dollar after the Reserve Bank of India (RBI) said it will conduct a simultaneous sale and purchase of bonds, in a move seen by market participants as an attempt to bring longer-term yields lower. The local currency depreciated by 5 paise to close at 71.04 against the greenback on Thursday as a steady rise in crude oil prices weighed on investor sentiment.

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