

DAILY FX NEWSLETTER 23th December 2019

Local Markets:

The Kenyan shilling firmed on Friday, helped by remittances and offshore investors buying Treasury bills and bonds amid subdued dollar demand from importers.

Indicative FX rates as at 8.30am:

<i>Currency</i>	<i>Buying</i>	<i>Selling</i>	<i>Currency</i>	<i>Today</i>	<i>Previous</i>
USD/KES	100.45	101.05			
GBP/KES	111.30	112.15	GBP/USD	1.3021	1.3032
EUR/KES	130.75	131.60	EUR/USD	1.1091	1.1130
INR/KES		1.4380	AUD/USD	0.6917	0.6900
			USD/INR	71.06	71.05
			Commodities		
			Gold	1485	1482
			Brent Crude	65.89	66.64

T-Bills Rates:

<i>Duration</i>	<i>Current</i>	<i>Previous</i>
91 Days	7.177%	7.151%
182 Days	8.125%	8.107%
364 Days	9.789%	9.798%

Top News:

- Gold prices held steady on Monday in thin trading, as investors refrained from making big bets ahead of the Christmas and New Year holidays while waiting for fresh developments on the Sino-U.S. trade front.
- Oil prices were mostly steady on Monday after three weeks of gains amid optimism the United States and China were close to signing a trade deal to end a tariff war, with President Donald Trump saying an agreement would be signed “very shortly.”

International Markets

USD: The dollar held firm at start of holiday-thinned week on Monday after U.S. data pointed to solid economic growth while the British pound found some stability after having suffered its biggest weekly fall in three years.

GBP: GBP/USD consolidates losses after registering the worst week in years. UK PM takes a step further towards Brexit, via Withdrawal Agreement Bill, despite being criticized by the ex-Tory member. Fears of ‘Valentine’s massacre’ and US warning weigh on the optimism.

GBP/USD traders seem to ignore waning political optimism at the UK as the Cable pauses the previous week’s declines while taking rounds to 1.3010 ahead of the London open on Monday.

EUR: EUR/USD is reporting a 3.17% drop on a year-to-date basis. Trade tensions weighed over the Euro in 2019. The pair suffered a double-digit slide in 2017. Material improvement in the Eurozone economic data is needed to fuel gains in the EUR. EUR/USD has erased a major chunk of the gains seen in the January 2017-February 2018 period and is on track to end 2019 on a negative note.

INR: The rupee slid nearly 5 paise to open at 71.17 in the early trade against the US dollar on Monday due to some buying in American currency by banks and exporters. The local currency on Friday fell against the US dollar but continued to consolidate in broad range of 70.70 and 71.20 following lack of cues on the domestic as well as global front. Rupee slipped 9 paise to 71.12 per dollar on Friday.

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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