

DAILY FX NEWSLETTER

2nd December 2019

Local Markets:

The Kenyan shilling was under pressure on Friday from end month dollar demand from merchandise importers and the energy sector.

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	102.25	102.80			
GBP/KES	132.00	132.85	GBP/USD	1.2928	1.2927
EUR/KES	112.50	113.40	EUR/USD	1.1030	1.1022
INR/KES		1.4420	AUD/USD	0.6785	0.6788
			USD/INR	71.61	71.60
			<i>Commodities</i>		
			Gold	1458	1459
			Brent Crude	61.34	63.55

T-Bills Rates:

<i>Duration</i>	<i>Current</i>	<i>Previous</i>
91 Days	7.162%	7.131%
182 Days	8.204%	8.215%
364 Days	9.800%	9.804%

Top News:

- Global shares rose on Monday and oil rebounded after upbeat China manufacturing surveys and as investors clung to hopes Beijing and Washington could reach a compromise in trade talks
- Oil prices rose more than 1% on Monday as signs of rising manufacturing activity in China pointed to increasing fuel demand and hints that OPEC may deepen output cuts at its meeting this week indicated supply may tighten next year.

International Markets:

USD: The Chinese yuan stayed relatively steady as forex markets began December with good news from China's economy. China's Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) was recorded at 51.8 in November, up from a reading of 51.7 in October. On Friday, the official manufacturing PMI released by the National Bureau of Statistics (NBS) recorded a reading of 50.2, topping the 50 level that suggests expansion for the first time since April. The official non-manufacturing PMI came in at 54.4, the highest level since March.

GBP: GBP/USD mildly bid above 1.2900. Recent polls, the Conservative Party's media appearances suggest that Tories are losing the fame. Activity numbers from the US and UK, coupled with trade/political headlines, will be in focus for fresh impulse. The GBP/USD pair looks for fresh direction as it trades near 1.2915 while heading into the London open on Monday.

EUR: Upbeat China manufacturing data has failed to put a bid under the single currency. ECB's Lagarde is likely to reiterate the need for fiscal stimulus. An above-50 US ISM Manufacturing PMI could yield a big drop in EUR/USD EUR/USD is not impressed by the upbeat China factory data and is flashing red ahead of the European Central Bank (ECB) President Christine Lagarde's testimony to the European parliament.

INR: USD/INR fails to hold onto recovery gains after China's PMI. The quote seems to ignore downbeat India GDP, doubts over the US-China trade deal. RBI monetary policy meeting, trade talks in the spotlight. With the Asian markets cheering China data, USD/INR pays little heed to the previously published India GDP while taking rounds to 71.70 as Indian markets open for Monday's trading session.

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