

## DAILY FX NEWSLETTER

### 30th December 2019

#### **Local Markets:**

The Kenya Shilling was firm against the US dollar on Friday and is forecast to remain stable supported by dollar supply from remittance and amid slow market activity.

#### **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	101.00	101.60			
<b>GBP/KES</b>	132.60	133.45	<b>GBP/USD</b>	1.3133	1.3007
<b>EUR/KES</b>	113.15	114.00	<b>EUR/USD</b>	1.1211	1.1132
<b>INR/KES</b>		1.4420	<b>AUD/USD</b>	0.6999	0.6965
			<b>USD/INR</b>	71.24	71.16
			<b>Commodities</b>		
			<b>Gold</b>	1518	1516
			<b>Brent Crude</b>	67.03	68.00

#### **T-Bills Rates:**

Duration	Current	Previous
91 Days	7.200%	7.177%
182 Days	8.150%	8.125%
364 Days	9.815%	9.789%

#### **Top News:**

- Gold prices rose to their highest in more than two months on Monday in thin year-end trading as the dollar dipped and U.S. military strikes in the Middle East drove investors towards the safe-haven metal.
- Oil prices hovered around three-month highs on Monday following a higher-than-expected crude inventory draw down and optimism over an expected U.S.-China trade deal, while traders kept a close eye on Middle East unrest.

#### **International Markets**

**USD:** The dollar was on the defensive on Monday in light year-end trading after suffering a setback the previous session, as hopes of a U.S.-China trade deal lifted investors' risk appetite, sapping safe-haven demand for the greenback.

**GBP:** GBP/USD remains on the front foot for the fifth consecutive day to the highest since December 19. GBP/USD takes the bids to 1.3115 while heading into the London open on Monday. Cable fails to portray hard Brexit fears, cited by ex-diplomat, as the US Dollar (USD) keeps declining across the board.

**EUR:** EUR/USD on Friday printed its biggest daily gain in nearly five months. Gold rally and the bullish setup on the weekly chart favor a strong move above 1.12. German data is expected to show retail sales rose 1% in November. EUR/USD is attempting a convincing break above 1.12 amid broad-based US dollar weakness.

**INR:** The rupee on Monday opened nearly 2 paise down at 71.37 against the US dollar as crude oil prices inched higher to nearly three-month highs following a higher-than-expected crude inventory drawdown and optimism over an expected US-China trade deal. Rupee consolidated in the first half on Friday but was weighed down in the latter half of the session despite an up-move in domestic equities.

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