

DAILY FX NEWSLETTER 31th December 2019

Local Markets:

The Kenya Shilling was under pressure on Monday due to oil and merchandise importers buying dollars to meet end month obligations.

Top News:

- Oil prices held steady on the final day of the year on Tuesday, heading for their biggest annual rise since 2016, supported by a thaw in the prolonged U.S.-China trade dispute and supply cuts.
- Gold prices were steady on Tuesday, holding below a more than two-month peak hit in the previous session, as weakness in the dollar countered optimism about the United States and China signing an interim trade deal soon.

International Markets

USD: The dollar dipped to a near three-week low against the yen in thin year-end volume on Tuesday as investors favored riskier assets, led by renewed optimism about global growth. Volatility for the dollar was confined to a narrow range after the White House's trade.

GBP: GBP/USD stays positive around a two-week high. Expectations of higher wages, increasing odds of a cap to skilled migrants and strong trade ties with the US please cable buyers. EU's Brexit signals fail to overcome broad US dollar weakness. GBP/USD takes the bids to 1.3122 while heading into the London open on Tuesday. The cable is on the sixth day of gains amid broad US dollar (USD) weakness as well as optimism surrounding Brexit. The same defies the European Union's (EU) threats ahead of the negotiation period that begins in early 2020.

EUR: EUR/USD is on track to end 2019 with a 2% loss. Trade optimism helped EUR/USD regain poise in the fourth quarter. A monthly close above November's high would confirm a bullish breakout. EUR/USD looks set to end 2019 on a negative note. The currency pair is currently trading near 1.12, representing a 2.11% drop from where it was trading on Jan. 1. The single currency fell 4.66% in 2018.

INR: The rupee gained 5 paise to 71.26 against the US dollar on Tuesday amid weakening of the greenback in the overseas market. The domestic currency opened almost flat at 71.32 on the last day of the calendar year 2019. The rupee on Monday appreciated by 4 paise to settle at 71.32 against the greenback even as crude oil prices surged.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.10	101.70			
GBP/KES	132.65	133.70	GBP/USD	1.3126	1.3133
EUR/KES	113.35	114.40	EUR/USD	1.1220	1.1211
INR/KES		1.4745	AUD/USD	0.7017	0.6999
			USD/INR	71.17	71.24
			Commodities		
			Gold	1525	1518
			Brent Crude	66.64	67.03

T-Bills Rates:

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

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

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.