

DAILY FX NEWSLETTER 5th December 2019

Local Markets:

The Kenyan shilling strengthened against the dollar on Wednesday supported by tight liquidity conditions in the local money market and inflows from offshore investors buying stocks and government debt.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.70	102.30			
GBP/KES	133.00	134.00	GBP/USD	1.3150	1.3010
EUR/KES	112.50	113.50	EUR/USD	1.1095	1.1085
INR/KES		1.4380	AUD/USD	0.6855	0.6835
			USD/INR	71.40	71.68
			Commodities		
			Gold	1477	1480
			Brent Crude	62.87	61.30

T-Bills Rates:

Duration	Current	Previous
91 Days	7.162%	7.131%
182 Days	8.204%	8.215%
364 Days	9.800%	9.804%

Top News:

- Asian stocks edged up on Thursday on signs the United States and China were on track for a preliminary trade deal, though optimism was tempered by the almost daily shifts in prospects for defusing the damaging tariff war now in its second year.
- Oil prices edged lower in muted trading on Thursday ahead of the start of OPEC meetings later in the day, steadying after the previous session's steep gains on a sharp drop in U.S. crude inventories and expectations of more output cuts.

International Markets:

USD: The dollar and export-oriented currencies found support on Thursday as upbeat trade comments from U.S. President Donald Trump cheered the market, while New Zealand's softer-than-expected banking reforms pushed the kiwi to a four-month high..

GBP: GBP/USD takes the bids near the multi-month high; elections polls keep Tories ahead. UK PM Johnson's tax cut pledge counters other opposition party's threats. GBP/USD seesaws near 1.3115 ahead of the London open on Thursday. The pair nears the multi-month peak marked Wednesday amid optimism surrounding the United Kingdom's (UK) political plays.

EUR: Wednesday's candle is signaling buyer exhaustion above key resistance. EUR/USD is likely to test dip demand with a drop to 1.1050. EUR/USD is looking south, having faced strong rejection above key resistance at 1.1097 in the overnight trade. The pair clocked a high of 1.1116 during the US trading hours only to close Wednesday with marginal losses at 1.1078.

INR: USD/INR recovers from four-day low amid cautious trade optimism. Traders keep eyes on odds of RBI's another rate cut, growth comments. USD/INR trades around 71.52 as Indian markets open for Thursday's trading. That said, the quote registered the heaviest drop since November 01 on Wednesday amid trade pessimism while comments from the US President Donald Trump recently triggered a pullback.

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