

## DAILY FX NEWSLETTER

### 13<sup>TH</sup> JANUARY 2020

#### **Local Markets:**

The Kenyan shilling was steady on Friday, as inflows from investors aboard into the local market could offer further support.

#### **Top News:**

- Gold prices fell on Monday as expectations of an interim trade deal signing between the United States and China boosted the dollar and dented some of bullion's safe-haven appeal.
- Oil prices edged down on Monday as fears of conflict between the United States and Iran eased, although the decline was checked by the planned signing of an initial U.S.-China trade deal this week, which could boost demand.

#### **International Markets**

**USD:** The dollar began the week supported by optimism on the Sino-U.S. trade front, while the pound wobbled lower after weekend hints at an interest rate cut from a Bank of England policymaker. A U.S.-China trade deal is due to be signed at the White House on Wednesday, though talks on a phase two package are likely to drag on for months.

**GBP:** GBP/USD trades weaker around 1.3040 while heading into the London open on Monday. The pair highlights the dovish tone from the BOE and the EU-Irish pessimism surrounding the Brexit while ignoring British firms' positive outlook and USD weakness. Investors will have a slew of monthly activity and output data to gain fresh impulse.

**EUR:** EUR/USD is better bid at press time and is closing on a former support-turned-resistance at 1.1132 – trendline rising from Nov. 29 and Dec. 24 lows. The greenback is flashing red, possibly due to the weak jobs data and wage growth figures released Friday. The Nonfarm Payrolls data showed the economy added 145K jobs in December, missing the expected print of 164K additions by a big margin. Further, downward revisions to previous months shed 15,000 jobs.

**INR:** The rupee opened 15 paise higher at 70.79 against the US dollar following easing crude oil prices as speculators reduced their holdings amid easing tensions in the Middle East region. Rupee rose in the last hour of Friday's session, ahead of the important industrial production number that was released late in the evening.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	101.15	101.75			
<b>GBP/KES</b>	131.80	132.75	<b>GBP/USD</b>	1.3043	1.3092
<b>EUR/KES</b>	112.50	113.45	<b>EUR/USD</b>	1.1143	1.1120
<b>INR/KES</b>		1.4555	<b>AUD/USD</b>	0.6928	0.6891
			<b>USD/INR</b>	70.67	70.98
			<b>Commodities</b>		
			<b>Gold</b>	1556	1548
			<b>Brent Crude</b>	65.06	65.25

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

Duration	Current	Previous
91 Days	7.200%	7.200%
182 Days	8.142%	8.147%
364 Days	9.833%	9.828%

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