

DAILY FX NEWSLETTER 15TH JANUARY 2020

Local Markets:

The Kenyan shilling firmed against the dollar on Tuesday supported by inflows from offshore investors buying stocks and government debt amid thin importer demand.

Top News:

- Oil prices slipped on Wednesday on concerns that the pending Phase 1 trade deal between the United States and China, the world's biggest oil users, may not boost demand as the U.S. intends to keep tariffs on Chinese goods until a second phase.
- Gold's Tuesday's candle indicates seller exhaustion, but lower highs setup still intact. Short-term average studies have turned bearish and prices risk falling back to \$1,540. Gold is currently trading at \$1,548 per Oz.

International Markets

USD: The U.S. dollar was flat Tuesday, as sentiment on risk was hurt slightly on a report that U.S. tariffs on Chinese goods will remain in place through the 2020 election despite both sides expected to wrap up the phase one trade deal on Wednesday. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.01% 97.34.

GBP: GBP/USD looks to extend the bounce towards 1.3050 ahead of the UK CPI report, as broad-based US dollar weakness and bullish technical set up underpin the sentiment around the spot. As for Wednesday's trading so far, the cable is consolidating the bounce from three-week lows of 1.2954 below the 5-DMA at 1.3034. The cautious market mood ahead of the US-China phase trade deal details release and thereafter the signing ceremony remains a drag on the US dollar across its main competitors.

EUR: EUR/USD has regained some poise in the last 12 hours or so but is still trapped in a bearish channel amid the increasing fears of the EU-US trade war. The single currency picked up a bid at lows near 1.11 during the US trading hours on Tuesday and rose to a high of 1.1135. The bounce, however, ran out of steam in Asia, leaving the pair sidelined near the 50-hour average support at 1.1130.

INR: The Indian rupee opened on a cautious note and fell 14 paise to 71.01 against the US dollar in early trade on Wednesday as concerns over the US-China trade deal weighed on investor sentiments. At the interbank foreign exchange, the rupee opened weak at 71.01, showing a decline of 14 paise over its previous closing.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.05	101.65			
GBP/KES	131.65	132.55	GBP/USD	1.3050	1.3005
EUR/KES	112.40	113.35	EUR/USD	1.1150	1.1150
INR/KES		1.4465	AUD/USD	0.6915	0.6910
			USD/INR	70.78	70.80
			Commodities		
			Gold	1553	1539
			Brent Crude	64.41	64.29

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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