

## DAILY FX NEWSLETTER 17<sup>TH</sup> JANUARY 2020

### **Local Markets:**

The Kenyan shilling firmed on Thursday supported by inflows from remittances and offshore investors buying stocks amid thin dollar demand from importers.

### **Top News:**

- Oil prices were steady on Friday as investors braced for data expected to show China's economic growth last year slid to its slowest pace in 29 years, holding on to gains for now after Washington and Beijing inked a long-awaited trade deal.
- Gold edged lower on Friday, on track to post its worst week in two months, as positive U.S. economic data and optimism over an interim U.S.-China trade deal boosted appetite for riskier assets and dented some of bullion's allure.

### **International Markets**

**USD:** The dollar gained on Friday as U.S. data suggested the world's largest economy maintained a moderate growth pace at the end of 2019, reaching an eight-month peak against the safe-haven yen. U.S. retail sales increased for a third straight month in December and the number of Americans filing claims for unemployment benefits dropped for a fifth straight week last week, indicating the labor market remained strong.

**GBP:** GBP/USD fails to hold onto three-day-old recovery gains while trading around 1.3070 ahead of the London open on Friday. The US dollar's (USD) broad recovery and the European Union's (EU) tough stand on Brexit seems to have pushed the bulls back off-late. Market players will now concentrate on the UK's December month Retail Sales as an immediate catalyst.

**EUR:** EUR/USD has dropped below key hourly chart support. The single currency is struggling despite a strong bounce from China's factory output. The pair reversed lower from highs near 1.1170 on Thursday on strong US data. The single currency remains under pressure on Friday even though China's Industrial Production experienced a bounce in December. The fourth-quarter GDP came in at 6% as expected, while the dragon nation reported the full-year growth at 6.1% – the slowest in 29 years.

**INR:** The Indian rupee opened on a cautious note and fell 7 paise to 71.00 against the US dollar in early trade on Friday tracking weak opening in domestic equities and foreign fund outflows. The rupee pared its early gains despite the US-China signing the phase-1 trade deal, as huge uncertainty still remains, which might make it difficult for China and the US to reach a comprehensive trade deal.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	100.60	101.20			
<b>GBP/KES</b>	131.40	132.45	<b>GBP/USD</b>	1.3084	1.3060
<b>EUR/KES</b>	111.90	112.80	<b>EUR/USD</b>	1.1148	1.1162
<b>INR/KES</b>		1.4350	<b>AUD/USD</b>	0.6915	0.6917
			<b>USD/INR</b>	70.85	70.75
			<b>Commodities</b>		
			<b>Gold</b>	1556	1553
			<b>Brent Crude</b>	64.61	64.45

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

Duration	Current	Previous
91 Days	7.232%	7.200%
182 Days	8.167%	8.142%
364 Days	9.842%	9.833%

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