

DAILY FX NEWSLETTER 20TH JANUARY 2020

Local Markets:

The Kenyan shilling was firm on Friday supported by inflows from the horticulture sector and diaspora remittances.

Top News:

- Gold traded in a tight range on Monday as strong U.S. economic data fueled investors' appetite for riskier assets and dented the metal's safe-haven appeal.
- Oil prices rose to their highest in more than week on Monday after two large crude production bases in Libya began shutting down amid a military blockade, setting the stage for crude flows from the OPEC member to be cut to a trickle.

International Markets

USD: The dollar began the week on a firm note on Monday as economic data pointed to strength right across the U.S. economy, reducing the likelihood of interest rate cuts. The greenback held steady near a one-week high against the euro, at \$1.1096, and just below an eight-month peak on the Japanese yen, at 110.19 yen per dollar.

GBP: GBP/USD bears the burden of downbeat data, worries concerning Brexit. The UK Chancellor Sajid Javid signaled harsh Brexit, challenges to the businesses. A slew of downbeat data favors the BOE's recently dovish tone. Following its brief dip beneath 1.3000, to the intra-day low of 1.2994, GBP/USD seesaws near 1.3000 while heading into the London open on Monday. The pair came under pressure on Friday amid increasing odds of the BOE's rate cut whereas the recent Brexit-negative headlines offered fresh downside to the quote.

EUR: EUR/USD logged its biggest single-day loss in two weeks on Friday. The pair risks extending losses to key trendline support. With US markets closed, the pair may witness some moves on German PPI data. EUR/USD is looking weak, having registered its biggest single-day decline in over two weeks on Friday. The pair fell 0.43%, its biggest single-day loss since Jan. 2, signaling an end of the minor bounce from the Jan. 10 low of 1.1085 and a resumption of the sell-off from the Dec. 31 high of 1.1239.

INR: The rupee slid nearly 3 paise down at 71.11 against the US dollar in early trade following a spike in crude oil prices in the international market amid strengthening greenback. Rupee could also be weighed down as oil prices jumped after two large crude production bases in Libya began shutting down amid a military blockade, setting the stage for crude flows from the Opec member to be cut to a trickle.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.65	101.25			
GBP/KES	130.80	131.75	GBP/USD	1.3010	1.3084
EUR/KES	111.65	112.55	EUR/USD	1.1110	1.1148
INR/KES		1.4400	AUD/USD	0.6897	0.6915
			USD/INR	70.95	70.85
			Commodities		
			Gold	1561	1556
			Brent Crude	65.69	64.61

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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