

DAILY FX NEWSLETTER
22nd JANUARY 2020

Local Markets:

The Kenyan shilling was stable on Tuesday and was expected to trade in a narrow range supported by dollar inflows from horticulture exports and diaspora remittance.

Top News:

- Gold prices fell on Wednesday, as the dollar firmed and investors assessed the risk of a global epidemic from a coronavirus outbreak from China that could have an impact on economic growth.
- Oil prices eased on Wednesday, extending declines as the International Energy Agency (IEA) forecast a market surplus in the first half, helping ease concerns about disruptions that have slashed Libya's crude output.

International Markets

USD: The dollar fell slightly Tuesday, pressured by losses against safe-haven currencies as the first case of the deadly Chinese coronavirus was reported in the U.S. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.07% 97.49. The U.S. Centers for Disease Control and Prevention announced the first case of the coronavirus in the United States, CNN reported, citing a federal source outside the CDC.

GBP: GBP/USD stays mildly bid to 1.3040 while heading into the London open on Wednesday. The pair earlier recovered for the two consecutive days on upbeat UK fundamentals and the US dollar weakness, but the Brexit fears might have weighed on the quote off-late. The House of Lords passed the UK PM's Withdrawal Agreement Bill (WAB) back to Commons with five changes that marked the Conservatives' defeat for the first time after the general election.

EUR: EUR/USD is operating on slippery grounds, following Tuesday's rejection above 1.11. The currency pair had risen to a high of 1.1118 during the European trading hours on Tuesday, courtesy of an upbeat German data. The German ZEW Indicator of Economic Sentiment rose 16 points to 26.7 in January to hit the highest value since July 2015. The ZEW data confirmed the economy bottomed out in the last quarter of 2019 and is witnessing a rebound.

INR: The rupee appreciated by 3 paise to 71.18 against the US dollar in early trade on Wednesday as easing crude oil prices and gains in domestic equity market lift investor sentiment. At the interbank foreign exchange market, the rupee opened strong at 71.17 and further gained slightly to hit a high of 71.16 against the greenback.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.70	101.30			
GBP/KES	131.45	132.40	GBP/USD	1.3070	1.3027
EUR/KES	111.55	112.45	EUR/USD	1.1095	1.1108
INR/KES		1.4357	AUD/USD	0.6854	0.6875
			USD/INR	71.09	71.08
			Commodities		
			Gold	1553	1565
			Brent Crude	64.39	64.75

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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