

DAILY FX NEWSLETTER 24TH JANUARY 2020

Local Markets:

The Kenyan shilling was firmer on Thursday supported by dollar inflows from horticulture exports and offshore investors buying government debt.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.55	101.15			
GBP/KES	131.90	132.85	GBP/USD	1.3133	1.3130
EUR/KES	111.00	111.95	EUR/USD	1.1059	1.1095
INR/KES		1.4320	AUD/USD	0.6856	0.6872
			USD/INR	71.17	71.10
			Commodities		
			Gold	1560	1559
			Brent Crude	62.25	62.19

T-Bills Rates:

Duration	Current	Previous
91 Days	7.279%	7.232%
182 Days	8.212%	8.167%
364 Days	9.859%	9.842%

Top News:

- Gold edged lower on Friday after the World Health Organization stopped short of declaring the China virus outbreak a global emergency, though prices were still on track to post a weekly gain.
- Oil prices edged up on Friday, helped by a decline in U.S. crude stockpiles, but were on track for to fall up to 5% for the week on worries that the China coronavirus that has killed 25 so far may spread, curbing travel, fuel demand and economic prospects.

International Markets

USD: The dollar rose against the euro on Thursday after the European Central Bank left unchanged its key interest rates and stimulus programs and launched a broad review of its policy that was likely to see new President Christine Lagarde redefine the ECB's main goal and how to achieve it.

GBP: GBP/USD gradually recovers Thursday's losses as it takes the bids to 1.3125 while heading into the London open on Friday. The pair might have benefited from the trade positive headlines, but market players are waiting for the preliminary readings of January month PMIs for fresh impulse. Following the Queen's Royal assent to the UK PM Boris Johnson's Withdrawal Agreement Bill (WAB), Britain is seeking trade deals with the US and Japan before the Brexit. The UK Chancellor Sajid Javid tried to placate the industries after his early-week comments triggered fears of hard Brexit.

EUR: EUR/USD fell to seven-week lows on Thursday, breaching support of the trendline connecting Oct. 1 and Nov. 29 lows. With the downside break of the trendline, the single currency has lost its upward trajectory. Markets offered euros on Thursday after the European Central Bank (ECB) was seen as more dovish than expected after President Lagarde told a news conference that risks to Eurozone growth are tilted to the downside.

INR: The rupee on Friday opened 5 paise down at 71.32 against the US dollar as the spread of a deadly new virus from China stoked fears of a global pandemic. So far, more than 400 cases have been confirmed by public healthcare officials, with the bulk of them coming from China. Cases have also been confirmed in Thailand, South Korea, Japan and Taiwan. Most Asian currencies are under pressure, including the rupee, as concerns grow over the spread of an outbreak of a mysterious coronavirus.

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