

## DAILY FX NEWSLETTER 02<sup>nd</sup> JANUARY 2020

### **Local Markets:**

The Kenyan shilling held steady on Tuesday on the back of inflows of hard currency from remittances by Kenyan workers abroad.

### **Top News:**

- Oil prices kicked off the new year higher on Thursday as warming trade relations between the United States and China eased demand concerns, while rising tensions in the Middle East fueled worries about supply.
- Gold prices edged higher on Thursday as the dollar hovered near a six-month low hit on New Year's Eve amid bets U.S. economic outperformance could be coming to an end.

### **International Markets**

**USD:** The dollar started the new year where it left the old one, on the back foot as investors wagered U.S. economic outperformance might be drawing to a close as optimism on trade brightens the outlook for growth globally.

**GBP:** GBP/USD declines for the first time since December 23. Sparse trading, fears of hard Brexit and EU's likely readiness to disappoint UK PM seem weighing on the pair. Early-month activity numbers, trade/Brexit headlines could entertain market players. GBP/USD drops to 1.3210 while heading into the London open on Thursday. The pair recently took a U-turn from two-week high amid thin trading conditions, hard Brexit fears, etc.

**EUR:** EUR/USD rose by 2.8% in the fourth quarter of 2019. Technical charts indicate the pair may witness a pullback on Thursday. EUR/USD has entered 2020 on a positive note. The single currency gained over 2.8% in the fourth quarter of 2019, the biggest single quarter rise since the third quarter of 2017. Even so, the pair closed the year with a 2.2% loss.

**INR:** The rupee depreciated nearly 9 paise to 71.31 against the US currency in early trade on Thursday following some buying in American currency by banks and importers. The domestic unit settled 14 paise up at 71.22 per dollar on Wednesday. Concerns over a slowdown in growth weighed on the rupee last year, with economists stressing on the need for more fiscal intervention

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	101.05	101.65			
<b>GBP/KES</b>	133.55	134.60	<b>GBP/USD</b>	1.3220	1.3126
<b>EUR/KES</b>	113.20	114.25	<b>EUR/USD</b>	1.1213	1.1220
<b>INR/KES</b>		1.4730	<b>AUD/USD</b>	0.7005	0.7017
			<b>USD/INR</b>	71.24	71.17
			<b>Commodities</b>		
			<b>Gold</b>	1521	1525
			<b>Brent Crude</b>	66.19	66.64

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

Duration	Current	Previous
91 Days	7.200%	7.177%
182 Days	8.150%	8.125%
364 Days	9.815%	9.789%

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