

## DAILY FX NEWSLETTER

### 06<sup>th</sup> JANUARY 2020

#### **Local Markets:**

The Kenya shilling was stable against the US Dollar on Friday with inflows from remittances and offshore investors buying debt meeting dollar demand from merchandise importers.

#### **Top News:**

- Oil prices jumped more than 2% during Sunday night trading building on Friday's gains as tensions in the Middle East escalated over the weekend
- Gold prices surged to near a six-year high after a US airstrike killed one of Iran's most powerful generals, ratcheting up tensions in the Middle East and driving demand for safe have assets.

#### **International Markets**

**USD:** The U.S. dollar and the Japanese yen were little changed on Monday in Asia, after recording gains earlier in the day on heightened Middle East tensions. Looking ahead, this week will bring the first U.S. nonfarm payrolls report of the decade, which is expected to point to a slowdown in jobs growth after November's bumper gains.

**GBP:** GBP/USD stops two-day losing streak amid the broad USD pullback. Risk reshuffle, catalysts doubting the US monetary policy, debt problem seem to have played their role. Market PMIs from the UK and the US will offer intermediate directions. GBP/USD isn't left behind, as far as the US dollar's (USD) latest pullback is concerned, which in turn probes the recent declines, while trading around 1.3085, ahead of the London open on Monday.

**EUR:** EUR/USD is showing resilience amid broad-based risk aversion. The dollar is struggling likely due to the losses in the treasury yields. The US 10-year yield dropped to one-month lows in Asia. Geopolitical tensions are likely to overshadow macro data releases. EUR/USD is hovering near 1.1165, as the US dollar is struggling to gain ground amid broad-based risk aversion and the losses in the treasury yields.

**INR:** Looking ahead, this week will bring the first U.S. nonfarm payrolls report of the decade, which is expected to point to a slowdown in jobs growth after November's bumper gains. At the Interbank Foreign Exchange, the rupee opened on a weak note at 72.03 then fell further to 72.11 against the US dollar, showing a decline of 31 paise over its previous closing.

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

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	100.75	101.35			
<b>GBP/KES</b>	131.90	132.90	<b>GBP/USD</b>	1.3093	1.3135
<b>EUR/KES</b>	112.50	113.55	<b>EUR/USD</b>	1.1174	1.1182
<b>INR/KES</b>		1.4544	<b>AUD/USD</b>	0.6950	0.6973
			<b>USD/INR</b>	71.95	71.56
			<b>Commodities</b>		
			<b>Gold</b>	1576	1544
			<b>Brent Crude</b>	70.23	68.22

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

Duration	Current	Previous
91 Days	7.200%	7.200%
182 Days	8.147%	8.150%
364 Days	9.828%	9.815%

**For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2**

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