

DAILY FX NEWSLETTER 07TH JANUARY 2020

Local Markets:

The Kenyan shilling was stable on Monday with remittances and non-governmental organizations helping the supply of dollar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.80	101.40			
GBP/KES	132.80	133.65	GBP/USD	1.3176	1.3093
EUR/KES	112.80	113.65	EUR/USD	1.1201	1.1174
INR/KES		1.4618	AUD/USD	0.6940	0.6950
			USD/INR	71.61	71.95
			Commodities		
			Gold	1563	1576
			Brent Crude	68.14	70.23

T-Bills Rates:

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

Top News:

- Oil prices edged lower on Tuesday, coming off their highest levels in months as the market calmed while the world braces for Iran's response to the killing of its top military commander by the United States.
- Gold prices inched lower on Tuesday, a day after hitting their highest in nearly seven years, with a lack of immediate escalation between the United States and Iran denting bullion's safe-haven appeal.

International Markets

USD: The Swiss franc held gains against the dollar on Tuesday as traders sought safe-havens amid heightened anxiety about potential Iranian retaliation to a U.S. drone strike that killed its most prominent military commander last week. The yen, another safe-haven currency, pulled back from a three-month high versus the dollar.

GBP: GBP/USD remains mildly bid while taking rounds to 1.3172 ahead of the London open on Tuesday. The cable registered noticeable gains on Monday amid the broad US dollar (USD) weakness and better than forecast reading of the UK Services PMI. Investors will now follow British political news for fresh impulse amid a lack of major data/events on the calendar. Elsewhere, the US-Middle East tension continues without any major result whereas the US data can entertain traders during the later part of the day.

EUR: EUR/USD has established a bullish higher low at 1.1125. A break above recent highs near 1.1240 looks likely on weak US data. The US ISM non-manufacturing for December is forecasted to print at 54.5. EUR/USD is looking north, having carved out a bullish higher low in the last two trading days and could rise to five-month highs above 1.1239 if the US data shows deceleration or contraction in the non-manufacturing activity. The pair jumped 0.34% on Monday as the single currency drew bids on the back of an upward revision to Germany's services PMI.

INR: The rupee on Tuesday opened 20 paise higher at 71.74 against the US dollar after crude oil prices edged down as the market calmed, while the world braces for Iran's response to the killing of its top military commander by the United States. The local currency declined to the lowest level in two months on Monday following a sharp surge in global crude oil prices and was further weighed down after escalating US-Iran tensions fanned fresh fears of conflict in the Middle East.

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

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.