

DAILY FX NEWSLETTER 31ST JANUARY 2020

Local Markets:

The Kenyan shilling strengthened on Thursday buoyed by dollar inflows from remittances and offshore investors buying government debt.

Top News:

- Oil prices jumped on Friday following sharp losses this week, as the World Health Organization (WHO) came out against travel and trade restrictions in declaring a global emergency over the spread of the coronavirus that originated in China last year.
- Gold prices inched lower on Friday after surveys showed Chinese manufacturing activity held steady in January and services firmed, although concerns over the coronavirus and its economic impact kept the metal on track for a second monthly gain.

International Markets

USD: The dollar struggled to find its footing Thursday, amid mixed U.S. economic data and a sharp decline against the pound after the Bank of England held rates steady in the wake of firmer economic data. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.18% to 97.64.

GBP: GBP/USD holds onto recovery near 1.3100 while heading into the London open on Friday, the Brexit day. The pair registered sharp gains the previous day as the BOE announced no rate cuts while the US-UK trade tension receded. The traders will now keep eyes on the UK PM Boris Johnson's speech at 22:00 GMT during the day of joy and sorrow. The Bank of England's (BOE) previously bearish bias failed to gain much support among the monetary policy committee (MPC) as the UK central bank had to leave the benchmark interest rate untouched on Thursday.

EUR: EUR/USD is reporting a 1.76% month-to-date loss at press time. An above-forecast German retail sales number may offer respite to the bulls. Later today, the focus will be on Eurozone GDP and US Personal Spending data. EUR/USD is on track to post its biggest monthly decline in six months. At press time, the currency pair is trading at 1.1025, representing a 1.76% drop from the monthly opening rate of 1.1222.

INR: The rupee on Friday opened 4 paise higher at 71.45 against the US dollar due to some selling in the American currency by banks and exporters. The local currency slid for the second successive session on Thursday following rising concerns over outbreak of the coronavirus in China. China's National Health Commission said the death toll from the virus outbreak in the country rose to 213 as of end-Thursday, with another 1,982 new cases confirmed.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.25	100.80			
GBP/KES	131.20	132.25	GBP/USD	1.3120	1.3024
EUR/KES	110.40	111.30	EUR/USD	1.1036	1.1025
INR/KES		1.4220	AUD/USD	0.6733	0.6745
			USD/INR	71.37	71.25
			Commodities		
			Gold	1571	1578
			Brent Crude	58.37	58.27

T-Bills Rates:

Duration	Current	Previous
91 Days	7.296%	7.279%
182 Days	8.229%	8.212%
364 Days	9.879%	9.859%

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