

DAILY FX NEWSLETTER 27th December 2018

Local Markets:

The Kenyan shilling slid 0.44 percent against the dollar on the eve of Christmas trading on Monday as demand for the greenback started to surge.

Top News:

- Asian shares on Thursday latched on to a dramatic surge on Wall Street as markets, battered by a recent drum roll of deepening political and economic gloom, cheered upbeat U.S data and the Trump administration's effort to shore up investor confidence.
- Oil fell on Thursday after soaring 8 percent in the previous session, as worries over a glut in crude supply and concerns over a faltering global economy pressured prices even as a stock market surge offered support.

International Markets:

USD: The dollar retained most of its overnight gains on Thursday but was off its peak for the week so far amid thin volumes, as signs of easing trade tensions and strong U.S. economic data sent Wall Street stocks and Treasury yields higher. In a sharp bounce from bear market territory, the Dow Jones Industrial Average<.DJIA> rocketed more than 1,000 points for the first time on Wednesday, while U.S. 10-year yields (US10YT=RR) rallied around 8 basis points to end at 2.8 percent. The swing higher in bond yields supported the greenback, which has been under pressure over the past couple of weeks following a decline in yields, which was driven by heightened concerns about slowing economic growth, and - more recently - a partial U.S. government shutdown

GBP: GBP/USD has pierced the 10-D SMA while the greenback has rallied from 96.57 to a high of 97.00 in a surprisingly strong rally on Wall Street with the Dow climbing from 21456 to a high of 22356 so far, snapping a four-session losing run.

EUR: With little momentum driving broader markets, EUR/USD has caught steady lift in early Thursday action, rising into 1.1380 from Wednesday's low of 1.1343. The Euro knocked lower against the US Dollar yesterday as markets recovered their footing from the early week's declines, and the US Dollar is carving out recent losses as the Euro falters

Indicative FX rates as at 8.30am:

<i>Currency</i>	<i>Buying</i>	<i>Selling</i>	<i>Currency</i>	<i>Today</i>	<i>Previous</i>
USD/KES	101.40	102.05			
GBP/KES	128.50	129.10	GBP/USD	1.2670	1.2680
EUR/KES	115.55	116.45	EUR/USD	1.1400	1.1420
INR/KES		1.4615	AUD/USD	0.7070	0.7080
			USD/INR	70.19	70.20
			Commodities		
			Gold	1269	1263
			Brent Crude	54.52	54.42

T-Bills Rates:

<i>Duration</i>	<i>Current</i>	<i>Previous</i>
91 Days	7.341%	7.348%
182 Days	8.257%	8.240%
364 Days	9.735%	9.591%

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