

DAILY FX NEWSLETTER 17th December 2019

Local Markets:

The Kenyan shilling was firm on Monday with inflows from diaspora remittances meeting dollar demand from merchant importers and the energy sector.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	101.25	101.90			
GBP/KES	134.40	135.60	GBP/USD	1.3300	1.3400
EUR/KES	112.80	113.80	EUR/USD	1.1165	1.1150
INR/KES		1.4440	AUD/USD	0.6880	0.6885
			USD/INR	70.85	70.90
			Commodities		
			Gold	1477	1476
			Brent Crude	65.37	65.03

T-Bills Rates:

Duration	Current	Previous
91 Days	7.151%	7.162%
182 Days	8.107%	8.201%
364 Days	9.798%	9.804%

Top News:

- Asian shares rose to their highest in more than a year on Tuesday, as trade deal optimism and Wall Street's run to all-time highs supported sentiment, while familiar fears of a hard Brexit knocked the pound.
- Oil prices trickled a fraction lower on Tuesday but remained near a three-month high as investors kept the faith with hopes that a fully-fledged U.S.-China trade deal is in the pipeline, set to stoke oil demand in the world's biggest economies

International Markets

USD: The foreign exchange market held steady on Monday, with the U.S. dollar slightly lower, in anticipation of further details on the U.S.-China trade agreement.

GBP: GBP/USD recovers from the early-day losses, piled mainly due to Brexit pessimism. Employment data could offer intermediate directions while political headlines will keep the driver's seat. GBP/USD revisits 1.3300 mark while heading into the London open on Tuesday. That said, the pair earlier dropped nearly 70 pips on worries concerning the hard Brexit.

EUR: EUR/USD failed to close above the 200-day MA for the third straight day on Monday. Markets are not impressed by the US-China trade truce. Euro bulls need weak US data to force a convincing move above the key average. EUR/USD is operating on higher grounds but is having a tough time scaling the 200-day moving average, a barometer of long-term trends. The pair closed well above 1.1116 on Dec. 11, confirming bullish higher lows and higher highs setup.

INR: USD/INR holds on to recovery gain as the greenback pauses two-day-old declines. Doubts over the future US-China trade relations, pessimism surrounding Asia-Pacific economies added weakness into the INR.USD/INR trades near 70.95 as the Indian markets open for trading on Tuesday. The pair carries the three-day-old recovery amid fresh concerns surrounding the US-China trade relations and the Reserve Bank of India's (RBI) dovish stand.

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