

DAILY FX NEWSLETTER 19th December 2019

Local Markets:

The Kenyan shilling strengthened on Wednesday supported by inflows from diaspora remittances amid thin importer dollar demand and tight liquidity in the local money market.

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	100.70	101.30			
GBP/KES	112.10	112.91	GBP/USD	1.3095	1.3120
EUR/KES	131.85	132.65	EUR/USD	1.1139	1.1144
INR/KES		1.4470	AUD/USD	0.6890	0.6861
			USD/INR	70.81	70.97
			<i>Commodities</i>		
			Gold	1480	1480
			Brent Crude	66.20	65.86

T-Bills Rates:

<i>Duration</i>	<i>Current</i>	<i>Previous</i>
91 Days	7.151%	7.162%
182 Days	8.107%	8.201%
364 Days	9.798%	9.804%

Top News:

- Gold prices inched up on Thursday after the U.S. House of Representatives voted to impeach President Donald Trump on articles of abuse of power and obstruction of Congress.
- Oil prices remained in touching distance of three-month peaks on Thursday, extending a robust streak that began a week ago, after data showed U.S. crude inventories had dropped while output cuts by major producers kept supply snug.

International Markets

USD: The dollar took in stride the impeachment of U.S. President Donald Trump on Thursday while its Australian counterpart rallied after a surprise fall in the country's unemployment rate. Dollar traders were remarkably sanguine after a majority of lawmakers in the U.S. House of Representatives voted to impeach Trump.

GBP: GBP/USD looks for direction after two days of declines, ahead of the key data/events. USD stays on the back foot after US President Trump's impeachment. UK politics, Brexit and trade headlines will add burden on to the pair watchers. GBP/USD remains under pressure, despite waiting for fresh clues, while trading around 1.3080 ahead of the London open on Thursday. The quote fails to cheer broad USD weakness as key data/events from the UK are lined up for publishing.

EUR: EUR/USD bounced from the ascending 10-day average in Asia. President Trump has been impeached by the US House. Senate is likely to acquit Trump of all charges. The German economy is showing signs of bottoming out and that could restrict losses in Euro. Dollar selling in Asia helped EUR/USD bounce up from key average support and regain some poise, although, the resistance of the 200-day MA is still intact.

INR: The rupee on Thursday opened nearly 3 paise down at 71 against the US dollar on account of some selling in American currency by banks and exporters. The local currency on Wednesday consolidated in a narrow range for the third successive session on Wednesday following major cues on the domestic as well as global front.

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