

DAILY FX NEWSLETTER 28TH JANUARY 2020

Local Markets:

The Kenyan shilling was broadly stable against the dollar on Monday with market players eyeing a central bank monetary policy meeting later in today's session.

Top News:

- Gold prices were little changed on Tuesday as rising concerns over the fast-spreading coronavirus in China and its economic impact offset a firmer dollar.
- Oil futures fell for a sixth session on Tuesday as the spread of a new virus in China and several countries raised concerns about a hit to economic growth and oil demand.

International Markets

USD: The dollar remained on the back foot Monday, pressured by a surprise fall in new home sales data and a bid in the yen and Swiss franc as worries intensified over the spread of the deadly coronavirus. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, rose by 0.12% to 97.97.

GBP: GBP/USD remains modestly flat near 1.3060 while heading into the London open on Tuesday. In doing so, the pair snaps the previous three-day declines. While the uncertainty surrounding the post-Brexit trade deal between the European Union (EU) and the UK recently weighed on the pair, the US dollar's broad strength amid risk-off also dragged the quote down. The present pullback could be attributed to the risk reset amid a lack of major catalysts as well as ahead of the key events like BOE and Brexit talks.

EUR: EUR/USD has erased almost entire gains seen in December and is fast closing on the psychological support at 1.10. The currency pair is currently trading at 1.1022, having started the month at 1.1222. The pair had risen from 1.1015 to 1.1240 in December. Majority of German economic data released this month reinforced expectations of a stronger economic rebound in 2020.

INR: The rupee on Tuesday opened 6 paise higher at 71.38 against the US dollar following some selling in American currency by banks and exporters. The local currency dipped 10 paise on Monday with other Asian currencies as an outbreak of Corona virus took a toll on the economy. Safe haven buying was witnessed in Japanese Yen, as well as US treasuries, following an outbreak of coronavirus outbreak in China.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	100.60	101.25			
GBP/KES	131.35	132.30	GBP/USD	1.3070	1.3070
EUR/KES	110.80	111.75	EUR/USD	1.1033	1.1039
INR/KES		1.4315	AUD/USD	0.6774	0.6816
			USD/INR	71.22	71.32
			Commodities		
			Gold	1578	1578
			Brent Crude	58.45	59.89

T-Bills Rates:

Duration	Current	Previous
91 Days	7.279%	7.232%
182 Days	8.212%	8.167%
364 Days	9.859%	9.842%

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