

DAILY FOREX NEWSLETTER

Monday, 11th January 2021

Local Markets:

The Kenyan shilling was stable on Friday as demand for dollars from importers was subdued while there were minimal inflows from exporters.

Top News:

- Gold prices fell on Monday, after slumping more than 4% in the previous session, as the dollar strengthened and U.S. Treasury yields remained elevated, denting the non-yielding metal's appeal.
- Oil prices fell on Monday on renewed concerns about global fuel demand amid strict coronavirus lockdowns in Europe and new movement restrictions in China, the world's second-largest oil user, after a jump in cases there.

International Markets

USD: The dollar extended a rebound on Monday, as sharp gains in U.S. yields and hopes for more stimulus to boost the world's largest economy prompted some investors to temper bearish bets, pulling the currency further away from recent multi-year lows. President-elect Joe Biden, who takes office on Jan. 20 with Democrats able to control both houses of Congress, has promised "trillions" in extra pandemic-relief spending. That has pushed the yield on benchmark 10-year U.S. debt up more than 20 basis points to 1.1187% this year, which helped the dollar to a one-month high of 104.20 yen Monday as better rates gave pause to some dollar shorts.

GBP: GBP/USD drops for the fourth consecutive day, flirts with multi-day low off-late. UK's covid figures hover around record top, government rolls up for more vaccinations. British Chancellor Sunak may delay tax hike, Brexit drags UK below US in global business location ranking. GBP/USD grinds lower amid the broad US dollar strength and risk-off mood, backed by the coronavirus (COVID-19) woes and the US-China tension. Sellers attack December 30 lows below the 1.3500 threshold, currently down 0.51% intraday near 1.3493, while heading into the London open on Monday.

EUR: EUR/USD trades 0.37% lower on the day, extends a two-day losing streak. Rising Treasury yields weigh over risk sentiment, lift the US dollar. The oversold safe-haven US dollar is drawing bids and pushing EUR/USD lower with risk sentiment weakening. The currency pair is trading near 1.2172 at press time, the lowest since Dec. 23, representing a nearly 0.4% drop on the day.

INR: The Indian rupee staged a smart recovery from the day's lowest level to end 7 paise higher at 73.24 against the US dollar NSE 0.58% on Friday, tracking an intense rally in domestic equities. Starting off on a sluggish note, the Indian unit fell to a low of 73.45 against the American currency during the session but pared all its intra-day losses to finish at 73.24.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.40	110.30			
GBP/KES	144.00	149.30	GBP/USD	1.3505	1.3575
EUR/KES	130.50	134.65	EUR/USD	1.2180	1.2275
INR/KES		1.5350	AUD/USD	0.7705	0.7780
			USD/INR	73.40	73.25
			Commodities		
			Gold	1838	1908
			Brent Crude	55.39	54.48

T-Bills Rates:

Duration	Current	Previous
91 Days	6.895%	6.906%
182 Days	7.479%	7.400%
364 Days	8.363%	8.348%

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