

DAILY FOREX NEWSLETTER

Wednesday, 4th January 2021

Local Markets:

The Kenyan shilling was unchanged on Thursday but was expected to weaken due to dollar demand from importers in sectors like energy and manufacturing. Kenya's annual inflation rate KECPI=ECI rose to 5.62% in December from 5.46% in November, the statistics office said on Thursday.

Top News:

- Asian share markets resumed their ascent on Monday as investors pinned their hope on vaccines to eventually deliver a global economic upturn, even as a possible tightening in virus rules for Tokyo pulled Japanese stocks off 30-year highs.
- Oil prices rose on Monday on expectations that OPEC and allied producers may cap output at current levels in February at a meeting later in the day as the coronavirus pandemic keeps worries about first-half demand elevated.

International Markets

USD: The dollar was down on Monday morning in Asia, with investors continuing to put pressure on the safe-haven asset on the first trading day of 2021. Expectations that U.S. interest rates will remain low and hopes for an eventual global economic recovery from COVID-19 will likely continue to slow the dollar down against other major currencies.

GBP: GBP/USD jumps to the highest level in over 2-1/2 years. The weekly chart shows bulls are in control. GBP/USD is trading at 1.3690 at press time. That is the highest level since April 2018. The previous 31-month high of 1.3686 was reached last week. The inverse head-and-shoulders breakout seen on the weekly chart indicates the path of least resistance is to the higher side, and significant resistance is currently located at 1.4056. That level is presently housing the trendline falling from 2007 highs.

EUR: EUR/USD trades at 1.2257 versus 1.2228 in Asia. Dollar drops despite coronavirus fears and weak China data. The focus this week on German, US data, and Georgia Senate elections. EUR/USD is charting gains with the US dollar on the offer despite coronavirus concerns and weak China data. The pair is currently trading just above 1.2255, representing a 0.34% gain on the day, having picked up a bid near 1.2228 in Asia.

INR: The Indian rupee was at 72.9050/72.9150 to dollar, the highest since Sep. 2, against 73.12/73.13 in the previous session, tracking a yuan-led surge in Asian currencies amid losses on the dollar index.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.50	109.80			
GBP/KES	147.20	149.90	GBP/USD	1.3690	1.3660
EUR/KES	132.50	135.10	EUR/USD	1.2285	1.2330
INR/KES		1.5200	AUD/USD	0.7740	0.7747
			USD/INR	72.75	72.85
			Commodities		
			Gold	1920	1890
			Brent Crude	52.43	51.59

T-Bills Rates:

Duration	Current	Previous
91 Days	6.906%	6.929%
182 Days	7.400%	7.403%
364 Days	8.348%	8.338%

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