

DAILY FOREX NEWSLETTER

Wednesday, 10th February 2021

Local Markets:

The Kenyan shilling was steady on Tuesday with a bias to strengthen due to subdued dollar demand and possible inflows from tea exporters.

Top News:

- Gold prices edged up on Wednesday as the dollar hovered around a one-week low and expectations of a massive stimulus package in the United States lifted bullion's appeal.
- Oil prices rose again on Wednesday, extending their more than week-long rally after industry data showing a fall in U.S. crude oil stocks added to optimism about an expected rise in global fuel demand.

International Markets

USD: The dollar traded near two-week lows as demand for safer assets ebbed on Wednesday, with traders looking ahead to an expected recovery from the COVID-19 pandemic this year, driven by massive fiscal and monetary stimulus. Bitcoin consolidated around \$46,500 after reaching a new high at \$48,216 overnight following Tesla's disclosure of a \$1.5 billion investment in the leading cryptocurrency. The dollar index edged higher to 90.509 early in the Asian session on Wednesday, following a two-day loss that took it as low as 90.427 for the first time this month.

GBP: GBP/USD stays on the front foot as bulls attack the highest levels since late April 2018, marked earlier in Asia. Reflation fears keep weighing the US dollar, GBP ignores EU-UK tension over the Brexit treaty. Britain tightens travel restrictions as infections fall, covid-led deaths rise. BOE's Bailey, Fed's Powell awaited to confirm the need for central bank actions, US CPI is important as well. GBP/USD bulls flirt with the fresh 34-month top marked earlier in Asia, currently up 0.06% around 1.3825, while heading into the London open on Wednesday.

EUR: EUR/USD hits highest level since Jan. 1 on broad-based USD weakness. Heightened expectations for more US fiscal stimulus overshadow Eurozone's vaccine delay. A continued rise in bond yields could play spoilsport. EUR/USD has crossed above a crucial technical resistance as markets continue to offer US dollars despite concerns Eurozone's economic recovery could lag behind the US due to slow vaccine rollout.

INR: The rupee gained 10 paise to settle at 72.87 (provisional) against the US dollar on Tuesday on the back of sustained foreign fund inflows and weak American currency. However, surging crude prices and subdued domestic equity market hit the rupee sentiment and restricted the gain. Indian rupee gained strength amid weakness in Dollar and rise in risk appetite in the global markets.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.90	110.30			
GBP/KES	149.49	152.90	GBP/USD	1.3830	1.3710
EUR/KES	131.70	134.25	EUR/USD	1.2135	1.2110
INR/KES		1.5350	AUD/USD	0.7745	0.7670
			USD/INR	72.80	72.90
			Commodities		
			Gold	1845	1855
			Brent Crude	61.12	56.90

T-Bills Rates:

Duration	Current	Previous
91 Days	6.987%	6.983%
182 Days	7.578%	7.508%
364 Days	8.623%	8.508%

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