

# DAILY FOREX NEWSLETTER

Tuesday, 16th February 2021

## Local Markets:

The Kenya's shilling was stable on Monday amid muted importer dollar demand.

The International Monetary Fund and Kenya have reached a staff-level agreement on a three-year \$2.4 billion financing package, the fund said on Monday.

## Top News:

- Asian shares advanced on Tuesday, putting world equities on course to extend their bull run for a 12th consecutive session as optimism about the global economic recovery and expectations of low interest rates drive investments into riskier assets.
- Oil prices rose on Tuesday as a cold front shut wells and refineries in Texas, the biggest crude producing state in the United States, the world's biggest oil producer

## International Markets

**USD:** The U.S. dollar fell to a three-week low on Tuesday, sterling hit an almost three-year high and commodity currencies rose as vaccination progress added to investors' recovery hopes. The buoyant mood, and a sell-off in U.S. Treasuries, also dragged on the safe-haven Japanese yen, which fell through its 200-day moving average against the dollar and struck multi-year lows against the euro, Aussie and Swiss franc.

**GBP:** GBP/USD bulls are unstoppable near the highest since April 2018. UK PM Johnson eyes rapid testing for reopening nightclubs and theatres. Britain's virus infections drop to the lowest since October 2020 as Tory government crossed jab target. US Traders' reaction to stimulus hopes, virus/vaccine optimism, on return from extended weekend, will be the key. GBP/USD stays on the front-foot around the mid-1.3900s, up 0.30% intraday, while heading into the London open on Tuesday.

**EUR:** EUR/USD rises as risk-on weighs over the US dollar. Stocks cheer coronavirus vaccine optimism, commodities rally. The pair's rally may lose steam if the German data disappoints expectations. EUR/USD challenges key hurdle and could soon chart a breakout, as risk remains bid on coronavirus vaccine optimism. The pair found buyers below 1.2130 in Asia and tested the crucial resistance at 1.2149 soon before press time. That level proved a tough nut to crack on Feb. 11.

**INR:** The rupee inched up 5 paise to 72.63 against the US dollar in opening trade on Tuesday amid a firm trend in the domestic equity market and subdued American currency. At the interbank forex market, the domestic unit opened at 72.64 against the US dollar and inched higher to 72.63 against the greenback, registering a rise of 5 paise over its previous close.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	108.55	109.95			
<b>GBP/KES</b>	150.40	153.60	<b>GBP/USD</b>	1.3945	1.3940
<b>EUR/KES</b>	131.55	133.80	<b>EUR/USD</b>	1.2145	1.2180
<b>INR/KES</b>		1.5340	<b>AUD/USD</b>	0.7790	0.7810
			<b>USD/INR</b>	72.65	72.50
			<b>Commodities</b>		
			<b>Gold</b>	1822	1824
			<b>Brent Crude</b>	63.55	63.64

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.905%	6.873%
182 Days	7.644%	7.594%
364 Days	8.824%	8.716%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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