

# DAILY FOREX NEWSLETTER

Monday, 1<sup>st</sup> February 2021

## Local Markets:

The Kenyan shilling was stable against the dollar on Friday and was expected to stay range-bound into next week.

Kenya said on Friday it was seeking an extra 11 million doses of COVID-19 vaccines, on top of 24 million already ordered, and hopes to have 16 million people inoculated by June next year.

## Top News:

- Asian shares rallied on Monday and U.S. stock futures recouped early losses as newly empowered retail investors turned their attention to precious metals, promising a respite to some hard-hit hedge funds
- Oil prices edged higher on Monday after a weak start, holding on to the past three months of gains, although patchy coronavirus vaccine rollouts, new infections and the discovery of new variants are keeping a lid on prices.

## International Markets

**USD:** The dollar was slightly down on Monday morning in Asia, with investor wariness remaining as the Wall Street battle between hedge funds and retail investors continuing to rage on.

**GBP:** GBP/USD eases from intraday high as bulls catch a breather after a 130-pip rise in the last four hours. UK is out of the list of countries to witness tighter COVID-19 vaccine export restrictions produced in the EU. 600,000 jobs a day, receding virus numbers and US President Joe Biden's call to Republicans for stimulus battle market frenzy. UK Final Manufacturing PMI, US ISM Manufacturing PMI will decorate the calendar, risk catalysts remain as the key. Despite recently stepping back from the day's high of 1.3739 to 1.3731, GBP/USD stays on the bull's radar with 0.24% intraday gains while heading into Monday's London open.

**EUR:** EUR/USD in a holding pattern despite the ECB downplaying rate cut odds. The Central Bank looks to be walking back on its recent dovish talk. Seasonality favours strength in the US dollar in February. EUR/USD struggles to gather upside traction despite the European Central Bank (ECB) walking back on its recent attempts to jawbone the single currency.

**INR:** The Indian rupee was trading higher against the U.S. currency on dollar sales by foreign banks, likely for their own books, ahead of the federal budget. The rupee was quoting at 72.87 compared with 72.95 in the previous session. Indian shares witnessed near \$1.5 billion of foreign outflows last week, a marked reversal to what has been in the trend in previous several weeks. The outflows came amid a risk off tone on Wall Street amid concerns over the impact of retail trading activity on the broader market.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	109.00	110.50			
<b>GBP/KES</b>	150.00	152.10	<b>GBP/USD</b>	1.3780	1.3710
<b>EUR/KES</b>	132.40	134.80	<b>EUR/USD</b>	1.2180	1.2105
<b>INR/KES</b>		1.5385	<b>AUD/USD</b>	0.7690	0.7650
			<b>USD/INR</b>	72.72	72.90
			<b>Commodities</b>		
			<b>Gold</b>	1858	1847
			<b>Brent Crude</b>	55.48	55.12

## 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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