

DAILY FOREX NEWSLETTER

Monday, 2nd February 2021

Local Markets:

Kenya's shilling was steady on Monday, with remittances and dollar inflows from non-governmental organizations matching demand from importers in the energy sector.

Top News:

- Asian stock markets extended gains on Tuesday on increased optimism about stimulus packages and global economic recovery, while retail investors retreated from GameStop and their new-found interest in silver.
- Oil prices rose around 1% on Tuesday after major producers showed they were cutting crude output in line with their commitments on restraint, supporting a market thrown out of kilter by weak demand during the coronavirus pandemic.

International Markets

USD: The dollar was down on Tuesday morning in Asia but was hovering near seven-week highs. The U.S. currency was a beneficiary of an overnight euro selloff after COVID-19 lockdowns in the continent led to decreased consumer spending.

GBP: GBP/USD eases from intraday top while also snapping two-day downtrend. South African virus strain cases without travel history triggered mass testing blitz in Britain, EU tightens rules for foreign visitors. UK PM Johnson stays hopeful for school open, Chancellor Sunak steps back from tax hikes. US President Joe Biden discusses stimulus, market frenzy eases. GBP/USD retreats from an intraday high of 1.3698 to currently around 1.3685, up 0.20% on a day, while heading into Tuesday's London open.

EUR: EUR/USD refreshes intraday top while extending corrective pullback from two-week low. Bearish MACD, sustained trading below the key SMAs favours the bears. 100-day SMA offers key support, buyers have a bumpy road even if they cross SMA hurdles. EUR/USD rises to the intraday top of 1.2080, up 0.18% on a day, during early Tuesday. In doing so, the quote takes a U-turn from a horizontal area comprising lows marked since January 18.

INR: The Indian rupee was at 73.03/73.04 to dollar against 73.02/73.03 in the previous session, amid upbeat risk tone and worries over the impact of yesterday's federal budget. The benchmark 5.85% bond maturing in 2030 was at 98.04 rupees, yielding 6.12%, against 98.45 rupees and 6.06% yield at previous close, as sentiment remained bearish after the government increased this year's borrowing and set higher-than-expected borrowing target for the next financial year.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.70	110.70			
GBP/KES	147.80	151.80	GBP/USD	1.3690	1.3780
EUR/KES	131.00	134.10	EUR/USD	1.2080	1.2180
INR/KES		1.5385	AUD/USD	0.7635	0.7690
			USD/INR	72.90	72.72
			Commodities		
			Gold	1855	1858
			Brent Crude	56.90	55.48

T-Bills Rates:

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

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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