

# DAILY FOREX NEWSLETTER

Monday, 8<sup>th</sup> February 2021

## Local Markets:

The Kenyan Shilling strengthened on Friday, helped by dollar inflows from tea, coffee, and horticulture exports.

## Top News:

- Gold prices edged higher on Monday, as weaker-than-expected U.S. jobs data re-ignited concerns over a recovery in the world's largest economy, pressuring the dollar and boosting bullion's appeal.
- Oil prices rose on Monday, with Brent futures nearing \$60 a barrel, boosted by supply cuts among key producers and hopes for further U.S. economic stimulus measures to boost demand.

## International Markets

**USD:** The dollar nursed losses against most currencies on Monday as disappointing U.S. jobs data caused some investors to scale back bets on a rebound in the greenback. The euro held gains versus the dollar but faces a test later on Monday with data that is expected to show German industrial output growth slowed at the end of last year. Speculators have been reducing short positions in the dollar, but some analysts say better U.S. economic data and continued progress in fighting the coronavirus pandemic will be needed for further dollar gains.

**GBP:** GBP/USD wavers in 20-pip range, easing from the top off-late. UK hints COVID-19 booster and annual vaccinations, Oxford-AstraZeneca vaccine fails to combat South African variant. British government rejects claims of a 68% drop in the UK's exports to EU. US stimulus hopes favor risks amid a light calendar, lack of news. GBP/USD eases to 1.3725, down 0.09% while heading into the London open on Monday. In doing so, the cable stays within a choppy range above 1.3700 while respecting the US dollar's latest pick-up and cautious optimism in the market. Also challenging the pair's moves could be mixed signals concerning the UK's coronavirus (COVID-19) vaccine plans and Brexit woes at home.

**EUR:** EUR/USD trades flat near 1.2040 after Friday's bounce from 1.1952. Friday's weak US payrolls data bolstered the case for US fiscal stimulus. Both stocks and EUR/USD could now witness sell-the-fact trade. EUR/USD carved out a bullish candlestick pattern on Friday, signaling a reversal higher. However, the rally may remain elusive if the global stock markets witness a wave of profit-taking on well-flagged US fiscal stimulus, putting a bid under the anti-risk US dollar.

**INR:** The rupee appreciated by 9 paise to 72.84 against the US dollar in opening trade on Monday following rally in domestic equities. At the interbank forex market, the local unit opened higher at 72.86 against the US dollar and climbed further to 72.84 in early deals, registering a rise of 9 paise over its last close. In the previous session, the rupee gained 3 paise to settle at 72.93 against the US dollar.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	108.40	110.40			
<b>GBP/KES</b>	147.90	151.95	<b>GBP/USD</b>	1.3735	1.3685
<b>EUR/KES</b>	130.30	133.25	<b>EUR/USD</b>	1.2045	1.1965
<b>INR/KES</b>		1.5365	<b>AUD/USD</b>	0.7680	0.7610
			<b>USD/INR</b>	72.80	72.80
			<b>Commodities</b>		
			<b>Gold</b>	1815	1797
			<b>Brent Crude</b>	59.96	59.30

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.873%	6.987%
182 Days	7.594%	7.578%
364 Days	8.716%	8.623%

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