

# DAILY FOREX NEWSLETTER

Thursday 13<sup>th</sup> January 2021

## Local Markets:

The Kenyan shilling was unchanged on Wednesday as some dollar inflows from agricultural commodity exporters met with a slowdown in importer demand.

## Top News:

- Asian shares were mixed on Thursday, while the dollar slipped as global investors assessed that strong U.S. inflation data was not worrying enough to change the Federal Reserve's already hawkish rates outlook.
- Oil prices slipped on Thursday, trimming big gains from the previous two sessions, amid uncertainty over near-term demand as cases of the highly contagious Omicron variant of the coronavirus surge around the globe.

## International Markets

**USD:** The dollar was up on Thursday morning in Asia, clawing back from new lows hit overnight. Although data showed that U.S. consumer prices rose at their fastest rate in nearly 40 years, it is likely not worrying enough to change an already hawkish monetary policy

**GBP:** GBP/USD seesaws around 11-week high, pauses two-day uptrend. UK's Truss meets EU's Sefcovic, Trade Secretary Trevelyan to push for post-Brexit free-trade deal with India. Britain prints record infections, UK PM Johnson rejects resignation demands. US inflation couldn't propel greenback, but today's Fed's peak may do. Having jumped the most in three weeks, GBP/USD steadies around 1.3710 during early Thursday.

**EUR:** EUR/USD seesaws around two-month high, pares heaviest daily jump since early December. US inflation matched forecasts in December, favoring chatters of less fuel for Fed hawks. ECB policymakers stay hopeful despite virus woes, citing mixed concerns over inflation. A slew of ECB, Fed members up for speaking today, US PPI, Jobless Claims are important too. EUR/USD hangs in balance around the highest levels since mid-November during the early Thursday morning in

**INR:** USD/INR rebounds from 15-week low, following the previous day's candlestick formation. MACD conditions keep seller's hopeful till the quote stays below 74.75. 200-DMA, 61.8% Fibonacci retracement challenges short-term recovery. USD/INR justifies the Doji candlestick formation at a multi-day low to pick up bids to 73.84, up 0.10% intraday during early Thursday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	112.40	115.00			
<b>GBP/KES</b>	153.50	157.90	<b>GBP/USD</b>	1.3750	1.3680
<b>EUR/KES</b>	126.50	131.80	<b>EUR/USD</b>	1.1485	1.1395
<b>INR/KES</b>		1.5660	<b>AUD/USD</b>	0.7320	0.7245
			<b>USD/INR</b>	73.80	73.85
			<b>Commodities</b>		
			<b>Gold</b>	1827	1820
			<b>Brent Crude</b>	84.42	83.70

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.345%	7.271%
182 Days	8.041%	8.095%
364 Days	9.444%	9.367%

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