

DAILY FOREX NEWSLETTER

Friday 14th January 2021

Local Markets:

The Kenyan shilling traded stable on Thursday but was inclined on the weaker side amid strong demand for hard currency from energy importers.

Top News:

- Asian shares took a beating on Friday after a fresh salvo of hawkish remarks from Federal Reserve officials solidified expectations that U.S. interest rates could rise as soon as March, leaving markets braced for tighter monetary conditions.
- Oil prices eased for a second session on Friday on growing concerns that Washington may soon act to cool prices, while movement controls in China to rein in a COVID-19 outbreak weighed on fuel demand.

International Markets

USD: The dollar was down on Friday morning in Asia, set for its largest weekly fall in eight months. Investors trimmed long positions as they bet that several U.S. interest rate hikes are fully priced in for 2022.

GBP: GBP/USD has been creeping steadily higher in the face of a softer US dollar. Some hawkish tones have been dialled down at the Fed by recent comments from officials. At 1.3729, GBP/USD is higher on the day so far, trading up 0.16% after climbing from a low of 1.3705. The price is stalling here but the US dollar has been on the backfoot, and the pound is lapping it up. The Bank of England has been one of the more hawkish of the central banks.

EUR: EUR/USD meets critical resistance and could be on the verge of a correction. The bears will be looking for a retest of the 1.1400 area. Bulls have their eyes on longer-term 1.17 area as a monthly objective. The price of EUR/USD is leaving a monthly M-formation which is seen with ease on the line chart for which is a reversion pattern

INR: USD/INR rebounds for the second straight day on Friday, despite DXY's weakness. Despite the bounce, the pair is in a bearish consolidation phase. Has the spot found a near-term bottom near the 73.75 area? USD/INR is looking to build onto its previous rebound from near four-month troughs of 73.73, as bulls yearn for acceptance above the 74.00 mark.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	153.50	158.20	GBP/USD	1.3745	1.3750
EUR/KES	126.50	132.30	EUR/USD	1.1495	1.1485
INR/KES		1.5660	AUD/USD	0.7325	0.7320
			USD/INR	73.81	73.80
			Commodities		
			Gold	1826	1827
			Brent Crude	84.37	84.42

T-Bills Rates:

Duration	Current	Previous
91 Days	7.309%	7.345%
182 Days	8.081%	8.041%
364 Days	9.474%	9.444%

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