

DAILY FOREX NEWSLETTER

Monday 17th January 2021

Local Markets:

The Kenya's shilling weakened to a new low on Friday as traders continued to seek the dollar on picking international trade. This comes with the re-opening of the economy and increased business activities after a slow-down over the festive season.

Top News:

- Share markets were choppy on Monday as a slew of Chinese economic data confirmed the deadening effect of coronavirus restrictions on consumer spending, prompting Beijing to again ease monetary policy
- Oil prices rose on Monday, with Brent crude futures at their highest in more than three years, as investors bet supply will remain tight amid restrained output by major producers with global demand unperturbed by the Omicron coronavirus variant.

International Markets

USD: The dollar was down on Monday morning in Asia, with the People's Bank of China (PBOC) springing a surprise benchmark cut. Investors are also looking ahead to the U.S. Federal Reserve's January policy decision and the timetable for interest rate hikes.

GBP: GBP/USD will depend on politics in the coming days as PM Johnson's leadership is in question. Brexit will be moving back to the fore; Northern Ireland protocol are still set to prove challenging. BoE hawkishness could underpin the pound as covid risks are dialled down. GBP/USD is around flat on the day so far in a quiet start to the week following a significant correction on Friday with demand for the US dollar that has otherwise been heavily offered at the start of the year. Cable is trading near 1.3680 within a narrow range of between 1.3661 and 1.3676 so far.

EUR : EUR/USD extends the previous day's pullback from nine-week top. Doji below the key EMA directs sellers toward 50-day EMA, previous resistance line. Bullish MACD, key support to challenge sellers afterward. EUR/USD takes offers to refresh intraday low around 1.1405, down 0.08% on a day during Monday's Asian session. The major currency pair took a U-turn after rising to the highest levels since November 11 the previous day. The downside move could be linked to Thursday's Doji candlestick formation below the 100-day EMA, as well as the RSI retreat.

INR: USD/INR retreats from intraday high during three-day uptrend. Firmer Momentum line, clear break of 50-SMA, descending trend line from December 24 keep buyer's hopeful. 100-SMA guards immediate upside, monthly low adds to the downside filters. SD/INR eases from weekly top to 74.17 during early Monday morning in Europe. In doing so, the Indian rupee (INR) pair challenges the three-day rebound from the late September levels.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	152.00	157.90	GBP/USD	1.3710	1.3745
EUR/KES	126.10	132.00	EUR/USD	1.1460	1.1495
INR/KES		1.5660	AUD/USD	0.7240	0.7325
			USD/INR	74.10	73.81
			Commodities		
			Gold	1819	1826
			Brent Crude	86.22	84.37

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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