

# DAILY FOREX NEWSLETTER

Thursday 20<sup>th</sup> January 2021

## Local Markets:

The Kenyan shilling slipped on Wednesday to a fresh all-time low as strong dollar demand from oil importers outstripped weak inflows.

## Top News:

- Asian share markets broke a five-day slide to edge higher on Thursday, shrugging off drops in Europe and on Wall Street overnight as China underscored its diverging monetary and economic picture by cutting benchmark mortgage rates.
- Oil steadied on Thursday, clawing back losses earlier in the session, as strong demand and short-term supply disruptions continue to support prices close to their highest levels since late 2014.

## International Markets

**USD:** Gold was down, on Thursday morning in Asia, with higher U.S. Treasury yields blocking gains as investors remain cautious in preparation for the U.S. Federal Reserve's next policy decision.

**GBP:** GBP/USD holds onto the previous rebound above 1.3650. Hotter UK inflation supports BOE rate hike calls, DXY drops amid risk recovery. Bull cross confirmation and bullish RSI allow room for more upside in cable. GBP/USD is consolidating gains above 1.3650, as the bulls gather pace for the next push higher. That said, the spot is looking to extend the previous day's rebound from five-day lows of 1.3572, as buyers cheer encouraging fundamental and technical catalysts.

**EUR:** EUR/USD fades bounce off 200-SMA above 1.1300. EUR/USD reverses from 100-SMA to pare the previous day's gains around 1.1340 amid early Thursday morning in Asia. The major currency pair flashed the week's first positive daily closing while bouncing off the 200-SMA by the end of Wednesday.

**INR:** USD/INR falls for the second straight day, as bulls fail to resist above 100-DMA. The spot clings to 21-DMA support amid a broad US dollar weakness. A pullback in WTI price also helps comfort the INR bulls. USD/INR remains on the defensive for the second day in a row this Thursday, keeping its range below 74.50. The pair tracks the US dollar weakness while the Indian rupee cheers a pullback in oil prices from seven-year highs.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	112.40	114.90			
<b>GBP/KES</b>	151.10	156.80	<b>GBP/USD</b>	1.3645	1.3635
<b>EUR/KES</b>	125.50	130.80	<b>EUR/USD</b>	1.1375	1.1370
<b>INR/KES</b>		1.5640	<b>AUD/USD</b>	0.7265	0.7220
			<b>USD/INR</b>	74.25	74.56
			<b>Commodities</b>		
			<b>Gold</b>	1839	1812
			<b>Brent Crude</b>	88.39	88.53

## 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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