

# DAILY FOREX NEWSLETTER

Monday 24th January 2021

## Local Markets:

The Kenyan shilling was barely changed on Friday, trading just above the all-time lows it hit in the previous session as tax payments by international firms helped stymie losses.

## Top News:

- Asian share markets slipped on Monday as investors braced for a Federal Reserve meeting at which it is expected to confirm it will soon start draining the massive lake of liquidity that has supercharged growth stocks in recent years.
- Oil prices jumped on Monday as geopolitical tensions in Eastern Europe and the Middle East heightened concerns about an already tight supply outlook, while OPEC and its allies continued to struggle to raise their output.

## International Markets

**USD:** The dollar traded steady on Monday ahead of the U.S. Federal Reserve's January policy meeting later this week, while bitcoin lay bruised near a six-month low hit over the weekend, hurt by a sell-off in technology stocks.

**GBP:** GBP/USD fades early Asian session bounce off two-week low. UK PM Johnson braces for tough week as Tories voice dislike over 'Partygate'. British covid cases ease but death toll rise, Welsh ports see 30% reduction in traffic due to Brexit. UK/US preliminary PMIs for January will direct intraday moves, Fed is the key. GBP/USD struggles to keep corrective pullback from the 100-DMA, seesaws around 1.3550 heading into Monday's London open.

**EUR:** EUR/USD reverses Friday's corrective pullback from two-week low. Yields consolidate the first negative weekly loss in five with eyes on Fed's verdict, stock futures print mild gains. Russia-Ukraine fears, Omicron updates add to the watcher's list, weigh on prices. Preliminary readings of January PMI, inflation data can act as buffers ahead of Wednesday's FOMC. EUR/USD extends the previous week's downbeat performance towards a two-month-old support line, down 0.10% around 1.1330 ahead of Monday's European session.

**INR:** The Indian rupee was at 74.50/74.51 against the U.S. currency, compared with 74.4150/74.4250 in the previous session, amid pullback in U.S. yields and rising crude oil prices. The benchmark 6.10% bond maturing in 2031 was at 96.22 rupees, yielding 6.64%, against 96.34 rupees and 6.63% yield at the previous close, ahead of state debt sale, while underlying sentiment remained bearish.

## 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>	151.00	156.60	<b>GBP/USD</b>	1.3590	1.3630
<b>EUR/KES</b>	125.50	130.60	<b>EUR/USD</b>	1.1350	1.1355
<b>INR/KES</b>		1.5640	<b>AUD/USD</b>	0.7190	0.7220
			<b>USD/INR</b>	74.20	74.40
			<b>Commodities</b>		
			<b>Gold</b>	1837	1840
			<b>Brent Crude</b>	88.68	86.73

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.331%	7.309%
182 Days	8.069%	8.081%
364 Days	9.510%	9.474%

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