

# DAILY FOREX NEWSLETTER

Tuesday 25th January 2021

## Local Markets:

The Kenya's shilling edges down on Monday due to increased dollar demand from the energy sector.

## Top News:

- Asian shares and U.S. futures tumbled on Tuesday after a tumultuous Wall Street session, with investors nervous about the situation in Ukraine and eyeing the U.S. Federal Reserve amid worries about a move to tighter monetary policy globally.
- Oil prices climbed on Tuesday, regaining some of the ground lost in the previous day's sharp losses, on concerns over possible supply disruptions amid rising geopolitical tensions in both Eastern Europe and the Middle East

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia, with the safe-haven asset remaining near a two-week high. Concerns about faster-than-expected U.S. Federal Reserve monetary policy tightening and possible armed conflict in Ukraine also continued to mount.

**GBP:** GBP/USD is attempting to break back to the downside. There is a lot going into the mix and geopolitics are front and centre. GBP/USD is holding tight in somewhat bearish territory below 1.35 the figure. At 1.3480, the price is tinkering on the edge of another run to the downside having already fallen from 1.3490 to print a low of 1.3473.

**EUR:** EUR/USD remains on the back foot around two-week low. Market sentiment remains sour as Russia-Ukraine worries join pre-Fed anxiety. Yields pause four-day downtrend, stock futures remain depressed. US CB Consumer Confidence will offer more insight on inflation ahead of FOMC. EUR/USD fades bounce off two-week low as bears brace for a clear break of 1.1300 during early Tuesday in Europe, mildly offered around 1.1315 by the press time.

**INR:** USD/INR prints bullish chart pattern on four-hour play around monthly top. Bullish MACD, firmer RSI hints at further advances, 200-SMA adds to the upside filters. USD/INR remains indecisive around 74.65 during early Tuesday, after refreshing the monthly peak the previous day.

## 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>	149.50	155.30	<b>GBP/USD</b>	1.3510	1.3590
<b>EUR/KES</b>	125.50	130.40	<b>EUR/USD</b>	1.1340	1.1350
<b>INR/KES</b>		1.5640	<b>AUD/USD</b>	0.7165	0.7190
			<b>USD/INR</b>	74.60	74.20
			<b>Commodities</b>		
			<b>Gold</b>	1842	1837
			<b>Brent Crude</b>	86.92	88.68

## T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.