

# DAILY FOREX NEWSLETTER

Wednesday 26th Jan 2021

## Local Markets:

The Kenya's shilling held steady on Tuesday, and it was expected to weaken due to increased dollar demand from oil companies.

## Top News:

- Asian share markets got off to a cautious start on Wednesday, after another volatile Wall Street session, as investors braced for the outcome of the Fed's meeting late in the day and any hints about faster tightening of monetary policy.
- Oil prices eased on Wednesday as investors booked profits ahead of an update from the U.S. Federal Reserve, although fears over tighter supply amid tensions in Ukraine and the Middle East capped losses.

## International Markets

**USD:** The dollar was down on Wednesday morning in Asia and the euro was near its weakest in a month versus the safe-haven dollar and Japanese yen. Investors remain concerned about a potential armed conflict in Ukraine, and faster-than-expected U.S. policy decision monetary policy tightening.

**GBP:** GBP/USD bulls packing a punch through 1.35 the figure, 1.3580 eyed. GBP/USD bulls look to 1.3580s for the days ahead. Near-term bears are in anticipation of a deeper hourly correction.

**EUR:** EUR/USD fades bounce off monthly low amid pre-Fed caution. US Dollar tracks downbeat yields as markets prepare for hawkish FOMC. ECB's Lane turned down concerns over Omicron-linked challenges to inflation, wages. Second-tier US data may entertain traders with eyes on Fed Chair Powell. EUR/USD bears take a breather around 1.1300 as markets brace for the Fed's verdict, following a two-day downtrend. Even so, hawkish expectations from the US Federal Reserve (Fed), versus recently shrugged off inflation fears by the ECB policymaker, keep EUR/USD bears hopeful.

**INR:** USD/INR bulls are in charge, breaking the inverse H&S's neckline. 75 the figured is eyed ahead of a 50% mean reversion to 75.20. USD/INR has been a strong performer since the midpoint of the month with the bulls running through the 73 and 74 areas with 75 the figure in their sights.

## 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>	150.10	155.60	<b>GBP/USD</b>	1.3530	1.3510
<b>EUR/KES</b>	125.50	130.20	<b>EUR/USD</b>	1.1330	1.1340
<b>INR/KES</b>		1.5520	<b>AUD/USD</b>	0.7180	0.7165
			<b>USD/INR</b>	74.58	74.60
			<b>Commodities</b>		
			<b>Gold</b>	1847	1842
			<b>Brent Crude</b>	87.94	86.92

## 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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