

# DAILY FOREX NEWSLETTER

Monday 31st January 2021

## Local Markets:

The Kenya's shilling was stable on Friday, and it was expected to weaken due to increased dollar demand from oil and telecommunications companies.

## Top News:

- Asian shares swung higher on Monday as Wall Street futures stabilized, though tests loom ahead as UK interest rates are expected to rise this week and surging oil prices add to worries over inflation.
- Oil rose more than 1% on Monday to near 7-year highs hit in the previous session, while supply concerns and political tensions in Eastern Europe and the Middle East put prices on track for their biggest monthly gain in almost a year.

## International Markets

**USD:** The dollar was down on Monday morning in Asia. Investors are awaiting Central Bank meetings from places such as Australia, the UK, and Europe.

**GBP:** GBP/USD extends Friday's corrective pullback from five-week low. UK Foreign Secretary Truss hints at PM Johnson's job safety despite 'Partygate' issue. Devolved administrations criticize Brexit Freedoms Bill despite claims to cut £1 billion of red tape. US Treasury yields down USD amid a quiet start to the key week. GBP/USD picks up bids to refresh intraday high near 1.3415, up 0.11% on a day as markets cheer USD pullback during a sluggish start to a crucial week. Also favoring the cable buyers could be the political optimism in the UK.

**EUR:** it is a big week for the single currency and US dollar with plenty on the events calendar to rock the apple cart. The ECB and NFP will be the highlights as markets trade the Central Bank divergence theme. EUR/USD is up slightly at the start of the week, trading 0.10% higher at the time of writing. The bulls are engaging at a critical support level on the charts, Meanwhile, the dollar stays near a year-and-a-half high against the euro with equities markets volatility expected to underpin the greenback on a very busy schedule for the week ahead.

**INR:** USD/INR struggles to extend pullback from five-week high. Bullish MACD, sustained trading beyond 50-DMA favor buyers. 12-day-old support line follows 50-DMA to test bears, October 2021 high challenge buyers after refreshing monthly high. USD/INR seesaws around 75.00 during Monday's Asian session, following a pullback from the highest levels since December 23 the previous day.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	112.40	115.00			
<b>GBP/KES</b>	149.10	154.60	<b>GBP/USD</b>	1.3440	1.3450
<b>EUR/KES</b>	123.50	128.80	<b>EUR/USD</b>	1.1185	1.1185
<b>INR/KES</b>		1.5480	<b>AUD/USD</b>	0.7040	0.7080
			<b>USD/INR</b>	74.80	75.80
			<b>Commodities</b>		
			<b>Gold</b>	1787	1798
			<b>Brent Crude</b>	91.07	89.81

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.343%	7.331%
182 Days	8.112%	8.069%
364 Days	9.544%	9.510%

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