

# DAILY FOREX NEWSLETTER

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

## Local Markets:

The Kenya Shilling weaken on Wednesday amid demand for the dollar from importers.

## Top News:

- Stock markets struggled for traction on Thursday after a jittery session on Wall Street where cryptocurrencies crashed and a hint of tapering talk from the U.S. Federal Reserve drove selling in the bond market and lifted the safe-haven dollar.
- Oil prices fell on Thursday after a slump in the previous session, as rising U.S. stockpiles added to concerns about a hit to demand from surging coronavirus infections in Asia and possible U.S. rate hikes

## International Markets

**USD:** The dollar was down on Thursday morning in Asia as the U.S. Federal Reserve meeting minutes revealed that policymakers suggested a slowdown of bond purchase due to a sign of accelerating inflation.

**GBP:** GBP/USD bears on top as the price melts from daily tops. US dollar firms on hawkish Fed minutes send cable lower. GBP/USD is trading flat on the day and is consolidating the drop from overnight on a stronger US dollar. Cable fell from a high of 1.4200 to reach a low of 1.4100 as the US dollar gained ground on Wednesday, snapping a four-day losing streak. The greenback was rallying from multi-month lows following the release of the Federal Reserve's Federal Open Market Committee (FOMC) minutes that it would be appropriate "at some point" to discuss tightening its accommodative policy.

**EUR:** EUR/USD edges higher, consolidates the previous day's losses. US Treasury yields turn south, US dollar fades corrective pullback. Markets search for clear direction after FOMC minutes renewed tapering concerns. ECB's Lagarde, second-tier EU, US data eyed for fresh impulse. EUR/USD flirts with an intraday high of 1.2185, up 0.07% on a day, heading into Thursday's European session. In doing so, the currency major pair licks FOMC Minutes-led wounds as US Treasury yields trim the previous day's gains, the highest in a week.

**INR:** USD/INR fades bounce off two-month low, refreshes intraday bottom. Bearish MACD, failures to cross immediate resistances favour sellers. 100-day SMA adds to the upside barriers, 72.80 lures bears. USD/INR takes offers around 73.15, down 0.11% intraday, amid the initial Indian trading session on Thursday. In doing so, the quote rejects the previous day piercing off a downward sloping trend line from April 21, not to forget staying below 100-day SMA.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.30	108.35			
<b>GBP/KES</b>	151.50	152.80	<b>GBP/USD</b>	1.4150	1.4245
<b>EUR/KES</b>	130.70	131.90	<b>EUR/USD</b>	1.2220	1.2280
<b>INR/KES</b>		1.4925	<b>AUD/USD</b>	0.7780	0.7820
			<b>USD/INR</b>	72.90	72.80
			<b>Commodities</b>		
			<b>Gold</b>	1875	1869
			<b>Brent Crude</b>	66.93	68.01

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.156%	7.152%
182 Days	7.995%	7.990%
364 Days	9.365%	9.424%

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