

DAILY FOREX NEWSLETTER

Tuesday 15th June 2021

Local Markets:

The Kenyan shilling was stable on Monday, with inflows from remittances and commodity exporters matching importer dollar demand.

Top News:

- Asian shares rose early on Tuesday, tracking Wall Street higher, though investors looked to a much-anticipated Federal Reserve policy meeting to see if the Central Bank would signal any change to the U.S. monetary policy outlook.
- Oil prices rose on Tuesday, with Brent gaining for a fourth consecutive session, as the prospect of extra supply coming to the market soon from Iran faded with talks dragging on over the United States rejoining a nuclear agreement with Tehran.

International Markets

USD: The dollar hovered near multi-week highs on Tuesday, drawing support from traders wary of a surprise from the U.S. Federal Reserve which is set to begin a two-day policy meeting.

GBP: GBP/USD struggles to keep the bounce off monthly low. EU warns over UK's reputation, France signals retaliation if London breaks Brexit deal. UK PM Johnson officially announced four-week delay to earlier June 21 unlock deadline. UK jobs report for May, US Retail Sales and pre-Fed sentiment will be the key. GBP/USD remains side-lined above 1.4100, recently taking offers around the intraday low of 1.4105 by the press time of the early Asian session on Tuesday. The cable dropped to the lowest since mid-May before bouncing off 1.4070 the previous day. Even so, Brexit woes join the pre-data cautious sentiment to test the pair's corrective pullback.

EUR: EUR/USD consolidates the recovery amid retreating Treasury yields. The subdued DXY price action offers no impetus to the main currency pair. ECB-speak, US Retail Sales and PPI data in focus ahead of the FOMC. EUR/USD is wavering in a narrow range above 1.2100, consolidating the recent recovery from monthly lows ahead of the key US consumer data. The US Treasury yields retreat, as the Fed commences its two-day monetary policy meeting.

INR: USD/INR steps back from intraday top, stays on the consolidation mode. Options market suggests the strongest bullish bias in over a week. d caution. India Trade Deficit, US Retail Sales will decorate calendar, FOMC becomes the key. USD/INR reverses the early Asian gains while dropping back to 73.18 as Indian traders begin Tuesday's work. The Indian rupee (INR) pair refreshed one-week top on Friday before stepping back from 100-day SMA afterward. In doing so, the quote reacts to the US dollar moves amid cautious sentiment ahead of Wednesday's Federal Open Market Committee (FOMC) meeting.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.30	108.30			
GBP/KES	151.20	152.70	GBP/USD	1.4130	1.4140
EUR/KES	130.10	131.20	EUR/USD	1.2160	1.2145
INR/KES		1.4950	AUD/USD	0.7745	0.7750
			USD/INR	73.10	72.90
			Commodities		
			Gold	1864	1863
			Brent Crude	73.11	73.02

T-Bills Rates:

Duration	Current	Previous
91 Days	7.104%	7.137%
182 Days	7.731%	7.818%
364 Days	8.648%	8.973%

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