

# DAILY FOREX NEWSLETTER

Monday 21<sup>st</sup> June 2021

## Local Markets:

The Kenyan shilling was unchanged on Friday amid tepid activity on both demand and supply counters

## Top News:

- Gold prices firmed on Monday, after posting a 6% drop last week, as a retreat in U.S. Treasury yields boosted the allure of the non-yielding metal.
- Oil prices nudged up on Monday, underpinned by strong demand during the summer driving season and a pause in talks to revive the Iran nuclear deal that could indicate a delay in resumption of supplies from the OPEC producer.

## International Markets

**USD:** The dollar index, which rose after the Fed's surprise hawkish tilt last week, gave up some of its gains on Monday, while the Australian currency stumbled on lower prices of the country's top export, iron ore. The dollar index, which tracks the greenback against six major currencies, slipped to 92.286 from a high of 92.405 reached on Friday, a level not seen since April 13. It jumped 1.9% last week - the most rise since March 2020 - as the U.S. Federal Reserve signalled a sooner-than-expected end to its ultra-easy monetary policy, triggering a collapse in U.S. shares and prompting analysts to revise their forecasts for stock and currency performance.

**GBP:** GBP/USD remains pressurized in the Asian session. US dollar Index stands at 10 weeks high at 92.33. GBP remains under pressure amid Brexit chaos and delayed economic reopening. GBP/USD continues to trade lower on Monday while trailing the previous seven session's downside movement. The pair trades in a very narrow trade band before slipping below the 1.3800 mark. At the time of writing, GBP/USD is trading at 1.3790, down 0.12% for the day.

**EUR:** EUR/USD stays pressured around early April levels after the heaviest weekly fall in three months. US dollar shrugs off downbeat Treasury yields as rate hike chatters stay firm. ECB policymakers remain divided over PEPP extension, President Lagarde eyed. US Chicago Fed National Activity Index, Fed'speak also become the key. EUR/USD fails to keep the early Asian corrective pullback as it refreshes intraday low with 1.1850 heading into Monday's European session.

**INR:** USD/INR reverses Friday's pullback from late April lows. US dollar remains firmer amid Fed rate-hike, tapering concerns. RBI's push for more reserves for trade exerts additional downside pressure. Fed'speak, Chicago Fed National Activity Index and Indian Balance of Payment eyed. USD/INR bulls keep reins around 74.25, up 0.16% intraday, amid the initial Indian trading session on Monday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.10	108.40			
<b>GBP/KES</b>	146.90	149.80	<b>GBP/USD</b>	1.3815	1.3910
<b>EUR/KES</b>	126.75	129.70	<b>EUR/USD</b>	1.1875	1.1910
<b>INR/KES</b>		1.4780	<b>AUD/USD</b>	0.7500	0.7545
			<b>USD/INR</b>	74.05	74.10
			<b>Commodities</b>		
			<b>Gold</b>	1769	1785
			<b>Brent Crude</b>	73.60	72.36

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.000%	7.104%
182 Days	7.536%	7.731%
364 Days	8.105%	8.648%

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