

DAILY FOREX NEWSLETTER

Tuesday 22nd June 2021

Local Markets:

The Kenyan shilling was stable on Monday as supply matched demand and the local currency is likely to be supported by inflows from key sectors.

Top News:

- Gold prices edged higher on Tuesday, as a pullback in the dollar lifted demand for the safe-haven metal, ahead of U.S. Federal Reserve Chairman Jerome Powell's testimony to Congress later in the day.
- Oil was up Tuesday morning in Asia, with signs emerging of a rapidly tightening market.

International Markets

USD: The dollar paused for breath on Tuesday as traders looked to testimony from Federal Reserve Chair Jerome Powell for further guidance on the central bank's recent surprise shift in its policy outlook, while support crept back for crypto currencies. The greenback has gained sharply since the Fed last week flagged sooner-than-expected interest rate hikes, although it dipped on Monday to hand back a little bit of that rise.

GBP: GBP/USD stalls after the previous day's sharp rise. Uptick in US treasury yields lifts demand for the US dollar. GBP remains under pressure amid Brexit chaos and delayed economic reopening. The appreciative move in the US dollar keeps GBP/USD gains under check. The pair accumulated stellar gains on Monday after the heavy losses incurred in the previous weeks. However, it lacks the strength to hold onto the gains. At the time of writing, GBP/USD trades at 1.3916, down 0.10% for the day.

EUR: EUR/USD trims early Asian losses amid subdued session. DXY struggles to keep rebound amid sluggish yields, light calendar. Powell's prepared remark pose upside risk but Fed policymakers' divide keeps traders on the edge. Eurozone Consumer Confidence, ECB members comments could offer intermediate moves. EUR/USD recovers from intraday low, pares daily losses to 0.07%, around 1.1910 heading into Tuesday's European session. The major currency pair consolidated the previous day's heavy bounce off early April levels as market sentiment dwindled amid mixed clues in Asia.

INR: USD/INR steps back from intraday top after two-day downtrend. Mildly upbeat sentiment weighs on USD ahead of Powell's testimony. US-China jitters, covid updates and second-tier data add filters to the moves. USD/INR defends the 74.00 threshold, snapping a two-day pullback from late-April top amid the initial Indian trading session on Tuesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	108.40			
GBP/KES	147.95	150.85	GBP/USD	1.3905	1.3815
EUR/KES	127.25	129.20	EUR/USD	1.1905	1.1875
INR/KES		1.4765	AUD/USD	0.7520	0.7500
			USD/INR	73.95	74.05
			Commodities		
			Gold	1781	1769
			Brent Crude	75.06	73.60

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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