

DAILY FOREX NEWSLETTER

Thursday 24th June 2021

Local Markets:

The Kenyan shilling was a little changed against the dollar on Wednesday amid subdued activity in the market.

Top News:

- Gold was subdued on Thursday, as a stronger dollar made bullion more expensive for holders of other currencies, while investors digested mixed signals from Federal Reserve officials on rate hike and awaited more U.S. data to gauge inflationary pressures.
- Oil was up Thursday morning in Asia, with continuously shrinking U.S. crude and fuel supplies contributing to the brightening fuel demand outlook.

International Markets

USD: The U.S. dollar vacillated below an 11-week high versus major peers on Thursday as traders attempted to navigate conflicting signals from Federal Reserve officials on the timing of a withdrawal of monetary stimulus. The U.S. currency got some support overnight as two Fed officials said that a period of high inflation in the United States could last longer than anticipated, a day after Fed Chair Jerome Powell played down rising price pressures.

GBP: GBP/USD retreats from intraday high, snaps three-day uptrend. UK's delayed unlock, Delta Plus fears and Brexit woes probe bulls eyeing hawkish BOE statement. BOE rate, bond purchases likely to remain unchanged. US data, Fedspeak should also be followed for fresh impulse. GBP/USD tilts southward below 1.4000, mildly offered around 1.3960, heading into the key London open on Thursday. While the pre-BOE caution pokes the cable buyers after a three-day uptrend, the pair remains on the front foot for the first week in June amid UK policymakers' optimism.

EUR: EUR/USD struggles to hold onto the gains in the Asian session. The Euro gains some ground on upbeat economic data. Uptick in US treasury yields underpins the demand in the US dollar. The buying interest in the US dollar keeps EUR/USD edgy on Thursday morning Asian's session. After testing the high of 1.2263 in late May, the Euro lost the battle against the greenback. It breached the coveted 1.1900 mark and tested the lows of 1.8477 in the week.

INR: USD/INR snaps two-day uptrend, steps back from intraday top. Doubts over India's vaccination success join fears of Delta Plus covid variant to back buyers. Indecision over Fed's next moves, US President Biden's infrastructure spending passage tests immediate moves. US data, Fedspeak and macro relating to covid, stimulus become important for fresh impulse. USD/INR pares weekly gains with a recent pullback to 74.20, down 0.05% intraday, amid the initial hour of Thursday's Indian trading session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.05	108.35			
GBP/KES	148.50	151.55	GBP/USD	1.3965	1.3940
EUR/KES	127.45	129.55	EUR/USD	1.1930	1.1925
INR/KES		1.4750	AUD/USD	0.7575	0.7550
			USD/INR	74.20	74.30
			Commodities		
			Gold	1776	1779
			Brent Crude	75.33	75.25

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.