

# DAILY FOREX NEWSLETTER

Friday 25th June 2021

## Local Markets:

The Kenyan shilling was unchanged against the dollar on Thursday as demand matched dollar inflows from the diaspora.

The Kenyan Central Bank's Monetary Policy Committee will hold its next rate-setting meeting on July 28, the bank said on its website on Thursday.

## Top News:

- Asian shares rose on Friday, tracking gains on Wall Street overnight that lifted the Nasdaq and the S&P 500 indexes to record highs after U.S. President Joe Biden embraced a bipartisan Senate infrastructure deal.
- Oil prices rose on Friday, heading for a fifth straight week of gains, with demand growth seen outstripping supply on bets that OPEC+ producers will be cautious in returning more output to the market from August.

## International Markets

**USD:** The dollar was down on Friday morning in Asia but remained near multi-month highs as weary investors await further inflation data to close the week. The pound, meanwhile, nursed a modest loss after the Bank of England (BOE) shied away from hiking interest rates in its latest policy decision.

**GBP:** GBP/USD prints modest gains in the Asian session. Mixed economic data, Fed's view on inflation weighs on the US dollar. GBP rebounded from the blow of BOE's dovish stance and asset purchase program. GBP/USD edges higher on Friday morning in the Asian session. After falling below, the 1.3900 mark a day before, following the much-anticipated Bank of England (BOE) monetary policy decision, the pair made a comeback today.

**EUR:** EUR/USD holds onto Thursday's recovery moves, up for first weekly gain in four. US dollar ignores firmer Treasury yields on fears of Fed's preferred inflation gauge confirming hawkish tilt. Risk appetite remains positive as Biden's stimulus joins EU-UK trade optimism to battle Fed's action, covid woes. German GfK Consumer Confidence, Fed's peak will also burden market watchers. EUR/USD rises for the second consecutive day, up 0.08% around 1.1940, heading into Friday's European session. The currency major pair cheers upbeat market sentiment, as well as the US dollar pullback, as bulls attack the key Exponential Moving Average (EMA). It should, however, be noted that the monthly outcome of the US Federal Reserve's (Fed) preferred inflation data probe traders of late.

**INR:** USD/INR sellers struggle to defy bullish chart pattern during two-day downtrend. Further losses envisioned on the break of immediate support. Bullish breakout will aim for mid-April low, November tops. USD/INR remains on the back foot for the second consecutive day, around an intraday low of 74.13 as Indian markets open for Friday. In doing so, the Indian rupee (INR) pair portrays depression inside a bullish chart pattern on the four-hour (4H) play.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.30	108.20			
<b>GBP/KES</b>	149.20	150.80	<b>GBP/USD</b>	1.3950	1.3940
<b>EUR/KES</b>	128.00	129.40	<b>EUR/USD</b>	1.1980	1.1925
<b>INR/KES</b>		1.4810	<b>AUD/USD</b>	0.7620	0.7550
			<b>USD/INR</b>	74.00	74.30
			<b>Commodities</b>		
			<b>Gold</b>	1776	1779
			<b>Brent Crude</b>	75.57	75.25

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.860%	7.000%
182 Days	7.317%	7.536%
364 Days	7.729%	8.105%

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.