

# DAILY FOREX NEWSLETTER

Thursday 15<sup>th</sup> July 2021

## Local Markets:

The Kenyan shilling was weakened slightly on Wednesday amid demand for dollars from oil and general merchandise importers while inflows coming in from agriculture exports have slowed.

## Top News:

- Gold prices were flat on Thursday, hovering near a four-week high scaled in the previous session, after U.S. Federal Reserve Chair Jerome Powell signaled “powerful support” for economic recovery and boosted the metal’s appeal as an inflation hedge.
- Oil prices fell more than 1% on Thursday, extending losses as investors braced for more supplies following a compromise between top OPEC producers and as U.S. fuel stocks rose, raising concerns about demand in the world’s largest consumer.

## International Markets

**USD:** Spiking coronavirus cases kept the dollar supported in Asia on Thursday and it clawed back a little of a drop which had followed insistence from Federal Reserve chair Jerome Powell that he isn’t in a hurry to withdraw policy support. The dollar was up about half a percent on the New Zealand dollar by midday in Tokyo, up about 0.3% on the Australian dollar and British pound and up roughly 0.1% against the euro.

**GBP:** GBP/USD bounces off intraday low amid third downbeat day of the week. Brexit woes remain on the table, UK registers highest covid infections since January. DXY consolidates Powell-led losses amid virus woes, reflation fears. Powell testimony 2.0, US second-tier data and UK PM Johnson’s speech join the watcher’s list. GBP/USD picks up bids from the day’s low to 1.3832, trimming intraday losses to 0.20%, ahead of Thursday’s London open. The cable seems to benefit from the pause in the US dollar rebound while also staying hopeful of an upbeat jobs report from the UK by the press time

**EUR:** EUR/USD is holding the recent rebound from three-month lows. Covid concerns, China’s growth slowdown spook investors, lift the USD. Powell-led weaker yields cushion the downside ahead of fresh US data. EUR/USD is alternating between gains and losses, consolidating the recent recovery above 1.1800, as the US dollar attempts a bounce amid worsening market mood. The greenback licks its wounds, finding some support from the risk-off sentiment, in light of the looming concerns over the Delta covid variant contagion and slowing Chinese economic growth

**INR:** USD/INR struggles to extend previous day’s pullback, offered near intraday low. 100-SMA, rising wedge support and ascending trend line from May 31 constitute the crucial level. Bulls remain cautious below 75.00 threshold, bears can aim for early June tops on support break. USD/INR reverses early Asian bearish consolidation while taking offers near 74.45 heading into Thursday’s European session.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.25	108.65			
<b>GBP/KES</b>	147.60	150.90	<b>GBP/USD</b>	1.3860	1.3835
<b>EUR/KES</b>	126.80	129.05	<b>EUR/USD</b>	1.1850	1.1795
<b>INR/KES</b>		1.4750	<b>AUD/USD</b>	0.7480	0.7470
			<b>USD/INR</b>	74.35	74.40
			<b>Commodities</b>		
			<b>Gold</b>	1830	1813
			<b>Brent Crude</b>	74.25	76.45

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.614%	6.728%
182 Days	7.101%	7.228%
364 Days	7.576%	7.661%

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