

DAILY FOREX NEWSLETTER

Friday 16th July 2021

Local Markets:

The Kenyan shilling weakened against the dollar on Thursday due to increased importers dollar demand that outweighed inflows.

Loans restructured by Kenya's small and medium-sized businesses jumped tenfold in 2020 compared with a year earlier largely due to the impact of COVID-19, the Central Bank said on Thursday.

Top News:

- Asian shares headed lower on Friday as profit-taking in Taiwanese chip giant TSMC, despite record profits, weighed on other tech firms and broader risk sentiment, while a more dovish U.S. rates outlook kept bond yields near multi-month lows.
- Oil prices changed little on Friday, heading for their biggest weekly drop since March after supply concerns spooked investors, with OPEC likely to add more barrels amid expectations that demand is returning as more countries recover from the pandemic.

International Markets

USD: The dollar was down on Friday morning in Asia. However, the greenback is set for its best weekly gain in about a month as ongoing investor worries about a quicker-than-expected U.S. interest rate hike and by rising COVID-19 infections capped losses.

GBP: GBP/USD consolidates the previous day's losses, picks up bids of late. Sluggish MACD challenges recovery moves inside short-term rising channel. 200-SMA adds to the upside filters, channel support will be crucial for bears. GBP/USD pokes intraday high of 1.3835, up 0.05% intraday during the subdued Asian session on Friday. In doing so, the cable pair pares Thursday's losses following its bounce off a two-week-old horizontal support zone surrounding the 1.3800 threshold. Even so, MACD conditions are not favourable to the pair's further upside, which in turn suggests fresh pullback from nearby resistances, namely 1.3875-80 and the 1.3900 round figure.

EUR: EUR/USD pares intraday losses, extends bounce off day's low. US dollar struggles to cheer Treasury yields rebound, coronavirus concerns. US-China tussles, Biden's stimulus act as extra catalysts behind the sluggish markets. Eurozone CPI, US Retail Sales and Michigan Consumer Sentiment will decorate calendar, qualitative factors are crucial. EUR/USD picks up bids to 1.1810, reverses the early Asian losses, heading into Friday's European session

INR: USD/INR steps back from 10-DMA, sellers aim for three-week-old support line. MACD signals favor bears targeting mid-May tops, late June bottom may offer extra immediate filter to the south. Bulls keep 75.00 on radar beyond nearby support. USD/INR fades bounce off short-term support, easing from 10-DMA, amid early Friday. In doing so, the Indian rupee pair retreats to 74.53, seeking fresh clues for immediate direction.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.40	108.60			
GBP/KES	149.00	150.30	GBP/USD	1.3865	1.3860
EUR/KES	127.00	128.50	EUR/USD	1.1845	1.1850
INR/KES	1.4320	1.4810	AUD/USD	0.7460	0.7480
			USD/INR	74.45	74.35
			Commodities		
			Gold	1826	1830
			Brent Crude	73.43	74.25

T-Bills Rates:

Duration	Current	Previous
91 Days	6.520%	6.614%
182 Days	6.984%	7.101%
364 Days	7.506%	7.576%

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