

DAILY FOREX NEWSLETTER

Monday 19th July 2021

Local Markets:

The Kenyan shilling was stable on Friday, amid an increase in demand for dollars from energy importers as inflows slowed,

Top News:

- Asian shares slipped to a one-week low on Monday and perceived safe haven assets, including the yen and gold, edged higher amid fears of rising inflation and a surge in coronavirus cases, while oil prices fell on oversupply worries.
- Oil prices fell more than \$1 a barrel on Monday, after the OPEC+ group of producers overcame internal divisions and agreed to boost output, sparking some concerns about a crude surplus as COVID-19 infections continue to rise in many countries

International Markets

USD: The dollar was up on Monday morning in Asia, remaining near its highest levels in months. Investors turned to the safe-haven U.S. currency as COVID-19 cases continue to increase globally, in turn prompting concerns about the global economic recovery.

GBP: Cable is on the defence as covid headlines swirl at the start of the week. Bears eye the daily support structure for a deeper test of the recent daily lows. GBP/USD has started out the week on the back foot as the price drops near to 0.5%. Cable has fallen from a high of 1.3862 and met a low of 1.3755 in Tokyo. The bears are in charge as investors fret over the rise of the delta variant in the UK and overseas, and GBP was poised for a weekly loss of 0.8%, its worst since mid-June.

EUR: EUR/USD prints three-day downtrend, stays pressured around intraday low. Risk appetite worsens on the covid concerns, doubts over Fed's next moves. US-China tussles, pre-ECB mood also weighs on the quote. German Buba Monthly Report, risk catalysts will be crucial for near-term direction. EUR/USD edges lower around 1.1800, down for the third consecutive day, heading into Monday's European session. The coronavirus-led risk-off mood put a safe-haven bid under the US dollar amid a sluggish Asian session.

INR: USD/INR stays mildly bid near the highest levels since April. Stocks in Asia-Pacific stay pressured around one-week low, Treasury yields pare early losses. Covid woes, indecision over Fed's next moves propel bullish bets on DXY to over a year's high. Qualitative catalysts remain crucial for near-term trade direction. USD/INR prints mild gains around 74.75, up 0.16% intraday, while rising for the third consecutive day to refresh multi-day top amid Monday's Asian session. Alike other currency pairs on the board, the Indian rupee (INR) pair also justifies the US dollar's safe-haven demand amid the coronavirus (COVID-19) woes.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.50	108.60			
GBP/KES	148.20	149.60	GBP/USD	1.3790	1.3865
EUR/KES	127.00	128.50	EUR/USD	1.1835	1.1845
INR/KES		1.4810	AUD/USD	0.7410	0.7460
			USD/INR	74.65	74.45
			Commodities		
			Gold	1812	1826
			Brent Crude	72.95	73.43

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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