

DAILY FOREX NEWSLETTER

Monday 26th July 2021

Local Markets:

The Kenyan shilling was unchanged on Friday due to subdued inflows from exports like tea and it was forecast to weaken in coming days due to increased importer demand.

Top News:

- Gold prices inched lower on Monday, hovering around the \$1,800 per-ounce psychological level, as the U.S. dollar held firm, with investors turning their attention to the Federal Open Market Committee's meeting this week.
- Oil prices were little changed on Monday as investors balanced concerns about fuel demand from the spread of Covid-19 variants and floods in China against expectations of tight supplies through the rest of the year.

International Markets

USD: The U.S. dollar hovered near its strongest level since early April against the euro on Monday, as financial markets looked ahead to the Federal Open Market Committee (FOMC) meeting this week for clues on the timing of stimulus tapering. The greenback was also close to a 12-day high on the safe-haven yen as record-high U.S. equity markets buoyed risk sentiment.

GBP: GBP/USD fails to capitalize on the previous week's gains. Additional gains for the pair if price breaks 1.3750. Momentum oscillator is in the oversold zone with a bullish crossover. GBP/USD consolidates gains for the previous two sessions on Monday morning's Asian session. The pair moves in a narrow trading range with no clear trading direction and waits for confirmation. At the time of writing, GBP/USD is trading at 1.3748, up 0.01% for the day.

EUR: EUR/USD extends the previous week's consolidation on Monday. The Euro continues to trade in a range-bound manner for the past two weeks. The US dollar index retreats from its four-month high near 93.20. EUR/USD prints minor gains on Monday morning's Asian session. The pair opened higher and moved in a narrow trade band with 15 pips movement. At the time of writing, the EUR/USD pair is trading at 1.1772, up 0.01% for the day.

INR: USD/INR is holding onto this key ascending trendline on the 4H chart. Upside remains capped below 74.57, 50 and 100-SMA confluence. RSI stays bearish, keeping the cross vulnerable. USD/INR is defending minor bids just below the 74.50 barrier amid a dour market mood, as the meltdown in the Chinese stocks, covid worries and pre-FOMC caution weigh on the investors' sentiment. Despite the risk-off mood, the US dollar fails to take advantage of its safe-haven status, as a retreat in the Treasury yields drags the greenback southward.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.40	108.90			
GBP/KES	147.00	150.20	GBP/USD	1.3760	1.3770
EUR/KES	126.50	128.75	EUR/USD	1.1790	1.1780
INR/KES		1.4770	AUD/USD	0.7355	0.7375
			USD/INR	74.40	74.35
			Commodities		
			Gold	1809	1805
			Brent Crude	72.66	73.57

T-Bills Rates:

Duration	Current	Previous
91 Days	6.477%	6.520%
182 Days	6.955%	6.984%
364 Days	7.432%	7.506%

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