

DAILY FOREX NEWSLETTER

Friday 2nd July 2021

Local Markets:

The Kenyan shilling weekend a notch on Thursday undercut by demand from oil and other importers.

Top News:

- Gold prices inched up on Friday, on concerns over the spread of delta variant of the novel coronavirus, while investors awaited U.S. non-farm payrolls data that could influence the timeline of the Federal Reserve's monetary policy shift.
- Oil prices held steady on Friday after OPEC+ ministers delayed a meeting on output policy as the United Arab Emirates balked at a plan to add back 2 million barrels per day (bpd) in the second half of the year.

International Markets

USD: The U.S. dollar was perched at a 15-month high on the yen and at multi-month peaks against other majors on Friday, as traders wagered strong U.S. labor data could lift it even further. The jobs report is due at 1230 GMT and is forecast to show a solid rise of 700,000. But there is chatter about the number coming in higher and the risk that upsets the assumption that U.S. interest rates can stay at rock-bottom levels for years.

GBP: GBP/USD prints losses for the straight seventh day. US dollar stands strong after the mixed US economic data, NFP data eyed. The sterling lost its ground post-disappointing economic data, BOE dovish stance. The strong buying interest in the US dollar continues to pressurize GBP/USD. The pair refreshed a new multi-month low on Friday in the initial Asian trading hours. At the time of writing, GBP/USD is trading at 1.3760, down 0.05% for the day. Investors analyzed a sooner than expected rate hike from the Fed in the near future.

EUR: EUR/USD stays heavy near three-month low during the five-day downtrend. Covid woes battle Fed tapering chatters, upbeat US data. Risk appetite dwindles, US T-bond yields fade bounce off weekly low. US jobs report for June can clear previous doubts over Fed's action, ECB's Lagarde also occupies watcher's list. EUR/USD defends the multi-day low of 1.1837, flashed the previous day, heading into Friday's European session. Even so, the currency major stays heavy around 1.1845, down 0.06% intraday, by the press time.

INR: USD/INR refreshes seven-week top, following a three-month-old resistance break. Bullish MACD, sustained breakout keeps pair buyers hopeful. Horizontal line from November 2020, seven-week-long resistance line probe bulls. 10-DMA adds to the downside support ahead of the key 74.18–12 area. USD/INR justifies the upside break of a three-month-old resistance, now support, while refreshing the highest levels since April 27 during early Friday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.20	108.60			
GBP/KES	146.70	149.80	GBP/USD	1.3775	1.3815
EUR/KES	126.80	128.90	EUR/USD	1.1850	1.1845
INR/KES		1.4700	AUD/USD	0.7475	0.7485
			USD/INR	74.65	74.30
			Commodities		
			Gold	1779	1776
			Brent Crude	75.81	74.69

T-Bills Rates:

Duration	Current	Previous
91 Days	6.728%	6.860%
182 Days	7.228%	7.371%
364 Days	7.661%	7.79%

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