

DAILY FOREX NEWSLETTER

Tuesday 6th July 2021

Local Markets:

The Kenyan shilling was steady against the dollar on Monday with supply and demand matching.

Top News:

- Most Asian share markets opened a fraction higher on Tuesday, ahead of a key decision by Australia's Central Bank on its quantitative easing programme and despite ongoing concerns over the future regulation of China's powerful technology sector.
- Oil prices extended gains on Tuesday, with Brent and WTI hitting their highest since 2018 on expectations that supplies will tighten further after OPEC+ talks were called off just as global fuel demand recovers.

International Markets

USD: The U.S. dollar and other majors were mostly steady as investors wait on the minutes from the Federal Reserve's meeting in June when it surprised markets with a hawkish shift. They are due to be published on Wednesday.

GBP: GBP/USD trades above 1.3880 for the first time after June 29. The US dollar remains muted following the NFP data released in the previous week. The sterling makes efforts to make a comeback backed by upbeat economic data and optimism on the economy reopening. GBP/USD locks in some fresh gains on Tuesday in the Asian session. After testing the low of 1.3731 on Friday, the pair rebounded sharply in three days to touch the intraday high near 1.3890.

EUR: EUR/USD buyers cheer DXY weakness to refresh intraday high. Full markets, mixed concerns over covid variants and Fed moves weigh on greenback. Eurozone PMIs were upbeat, Retail Sales, Factory Orders eyed. US ISM Services PMI will be observed for inflation details, ECB meeting, FOMC minutes also be the key. EUR/USD stays on the front foot, up 0.10% on a day around the intraday top of 1.874, heading into Tuesday's European session. The currency major benefits from the broad US dollar weakness by the press time.

INR: USD/INR drops below 10-DMA for the first time in five weeks. MACD conditions favor bearish momentum but 74.00 becomes the key. Bulls need a daily closing beyond mid-April lows to confirm further ruling. USD/INR remains on the back foot near the weekly low, down 0.05% around 74.28, amid the initial hour of the Indian trading session for Tuesday. The Indian rupee (INR) pair justifies the downside momentum with a first break below 10-DMA since early June inside a two-month-old rising wedge bearish chart formation.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.25	108.40			
GBP/KES	149.00	150.70	GBP/USD	1.3920	1.3830
EUR/KES	127.50	129.10	EUR/USD	1.1910	1.1860
INR/KES		1.4720	AUD/USD	0.7610	0.7520
			USD/INR	74.10	74.50
			Commodities		
			Gold	1802	1786
			Brent Crude	77.54	76.18

T-Bills Rates:

Duration	Current	Previous
91 Days	6.728%	6.860%
182 Days	7.228%	7.371%
364 Days	7.661%	7.790%

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