

DAILY FOREX NEWSLETTER

Wednesday 7th July 2021

Local Markets:

The Kenyan shilling was stable against the dollar on Tuesday amid subdued demand from importers.

Top News:

- Gold prices edged lower on Wednesday after hitting a three-week peak in the previous session, as a rebound in the dollar weighed on the safe-haven metal ahead of the release of minutes from the U.S. Federal Reserve's June policy meeting.
- Oil prices steadied on Wednesday after a steep drop in the previous session, following the cancellation of talks among OPEC+ producers that raised the prospect that the world's major crude exporters will turn on the taps to gain market share.

International Markets

USD: The dollar was down on Wednesday morning in Asia ahead of the U.S. Federal Reserve's release of the minutes from its latest meeting. The euro, meanwhile, fell to an almost three-month low against the greenback as German economic data disappointed and raised concerns about the country's economic recovery from COVID-19. In the U.S., yields recently took a tumble after investors who had bet that the Fed would tighten its monetary policy sooner than expected thanks to rising inflation were forced to bail out of their positions.

GBP: GBP/USD remains depressed below 1.3800 on Wednesday. US dollar resilient ahead of FOMC minutes, disappointing ISM data. The sterling looks for some support on the reopening optimism. GBP/USD treads water on Wednesday's Asian trading session. The pair fell sharply from the high of 1.3898 and touched the intraday low at 1.3773. At the time of writing, GBP/USD is trading at 1.3794, down 0.04% for the day.

EUR: EUR/USD stays heavy for third consecutive day, defensive of late. US dollar bulls battle multi-day low Treasury yields ahead of FOMC minutes. Downbeat US data, covid-led challenges to economic recovery weigh on market sentiment. EU's quarterly economic forecasts also become the key before the special ECB meeting. EUR/USD bears are at a test above 1.1800, down 0.03% around 1.1820, heading into Wednesday's European session.

INR: USD/INR remains heavy around intraday low, reverses previous day's gains. Indian Foreign Minister eyes strong economic recovery even as gross GST revenues disappoint optimists. Covid woes, mixed US data weigh on sentiment ahead of FOMC minutes. USD/INR struggles to overcome the intraday low of 74.62, down 0.14 near 74.65 amid early Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.15	108.55			
GBP/KES	147.05	150.25	GBP/USD	1.3815	1.3920
EUR/KES	126.55	128.75	EUR/USD	1.1835	1.1910
INR/KES		1.4700	AUD/USD	0.7505	0.7610
			USD/INR	74.70	74.10
			Commodities		
			Gold	1802	1802
			Brent Crude	74.69	77.54

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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