

DAILY FOREX NEWSLETTER

Thursday 8th July 2021

Local Markets:

The Kenyan shilling was unchanged against the US dollar on Wednesday amid little demand in the market.

Top News:

- Gold held steady on Thursday as lower U.S. Treasury yields countered a stronger dollar after minutes from the Federal Reserve's last meeting showed that the central bank is moving towards tapering its asset purchases as soon as this year.
- Oil prices fell for a third day on Thursday amid anxiety that supply may rise after the collapse of this week's talks among major producers, potentially causing the current output agreement to be abandoned.

International Markets

USD: The dollar traded near its highest in three months versus major peers on Thursday after minutes of the Federal Reserve's June policy meeting confirmed the world's biggest central bank is moving toward tapering its asset purchases as soon as this year. Fed officials said substantial further progress on economic recovery "was generally seen as not having yet been met," although participants expected progress to continue and agreed they must be ready to act if inflation or other risks materialize.

GBP: GBP/USD remains heavy around near the weekly low. Multi-month high covid infections challenges July 19 deadline of remove UK's all activity restrictions. British PM Johnson warns EU over NI protocol, exodus of Jewish people also feared. Covid woes back safe-haven dollar, US Jobless Claims eyed. GBP/USD licks its wounds around 1.3785, off intraday low of 1.3774 but down 0.12% on a day, heading into Thursday's London open. The cable tracks other major currencies while portraying the US dollar strength, as the coronavirus (COVID-19)-led risk-off mood put a safe-haven bid under the US dollar.

EUR: EUR/USD sticks around multi-month support on Thursday, ECB Chief speech is due today. US dollar gains despite Fed's minute suggest dovish outlook on rate hikes in the near term. The Euro remains under pressure as risk sentiment dampens amid rising corona cases due to the Delta variant. EUR/USD extended the previous two day's declines on Thursday morning Asian's session. The pair took shelter near the multi-month low around 1.1795.

INR: USD/INR continues to march higher while consolidates for the previous two trading sessions. Bulls face stiff resistance near the 74.80 critical resistance area. Momentum oscillators hold onto an overbought zone with an upside bias. USD/INR edges marginally lower in the Asian trading hours on Thursday. The pair moves in the previous day's trading range between 74.60 and 74.80.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.15	108.55			
GBP/KES	146.85	150.05	GBP/USD	1.3815	1.3815
EUR/KES	126.25	128.45	EUR/USD	1.1825	1.1835
INR/KES		1.4700	AUD/USD	0.7485	0.7505
			USD/INR	74.50	74.70
			Commodities		
			Gold	1798	1802
			Brent Crude	73.26	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%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

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