

DAILY FOREX NEWSLETTER

Wednesday 25th August 2021

Local Markets:

The Kenyan shilling was stable on Tuesday and was expected to weaken due to increased dollar demand from oil importers.

Top News:

- Gold prices fell on Wednesday as the dollar ticked higher, with investors awaiting Federal Reserve Chair Jerome Powell's speech this week for possible guidance on tapering of the pandemic-era stimulus.
- Oil prices fell on Wednesday, taking a breather after a strong rally this week spurred by the loss of a quarter of Mexico's production and signs that China, the world's biggest importer, has curbed a recent coronavirus outbreak.

International Markets

USD: The safe-haven dollar traded near a one-week low versus major peers on Wednesday as concerns eased that the highly contagious delta coronavirus variant could derail a global economic recovery, lifting commodity-linked currencies like the Aussie. Risk appetite in global markets has strengthened since the U.S. Food and Drug Administration granted full approval to the Covid-19 vaccine developed by Pfizer and BioNTech in a move that could accelerate U.S. inoculations.

GBP: GBP/USD edges lower on Wednesday in the Asian session. US Dollar Index rebounds above 93.00 after the previous session's decline. The sterling fails to capitalize on general risk-off sentiment. GBP/USD edges lower on Wednesday's Asian trading session. The pair opened higher but was not able to preserve the momentum. At the time of writing, GBP/USD is trading at 1.3715, down 0.06% for the day. The US Dollar Index (DXY), which tracks the greenback performance against its six major rivals, trades at 93.05 with 0.08% gains amid general risk-off mood.

EUR: EUR/USD snaps three-day uptrend, pressured near intraday low of late. US dollar tracks firmer Treasury yields amid indecision over Fed's tapering, covid woes. German IFO number, US Durable Goods Orders will decorate the calendar, but Powell's Jackson Hole Symposium speech is the key. EUR/USD holds lower ground near intraday low after snapping a three-day run-up during early Wednesday. That said, the currency-major pair drops 0.15% on a day surrounding 1.1730 heading into the European session.

INR: USD/INR stays firmer around intraday high, up for the second consecutive day. Steady RSI suggests continuation of trading inside short-term range. Monthly resistance line, horizontal area from late June become strong levels to watch. USD/INR stays mildly bid for the second day, extending bounce off three-week low, while picking up bids to 74.20 during early Wednesday. In doing so, the Indian rupee (INR) pair buyers jostle with the 50-day EMA amid steady RSI conditions.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.80	110.60			
GBP/KES	148.40	152.20	GBP/USD	1.3735	1.3750
EUR/KES	127.60	130.30	EUR/USD	1.1755	1.1755
INR/KES		1.5050	AUD/USD	0.7255	0.7240
			USD/INR	74.15	74.05
			Commodities		
			Gold	1798	1805
			Brent Crude	70.22	68.78

T-Bills Rates:

Duration	Current	Previous
91 Days	6.599%	6.527%
182 Days	7.104%	7.117%
364 Days	7.420%	7.418%

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