

DAILY FOREX NEWSLETTER

Thursday 26th August 2021

Local Markets:

The Kenyan shilling held steady on Wednesday but was predicted it would come under pressure due to increased dollar demand from the energy sector and general goods importers.

Top News:

- Gold prices were flat on Thursday as investors turned cautious ahead of U.S. Federal Reserve Chair Jerome Powell's speech this week, which could provide cues to the central bank's tapering of economic stimulus.
- Oil fell on Thursday for the first session in four amid renewed concerns about demand recovery as more restrictions are imposed to curb Covid-19 infections.

International Markets

USD: The dollar hovered near a one-week low versus major peers on Thursday amid optimism the delta coronavirus variant won't derail a global economic recovery, with investors now eyeing the Fed's Jackson Hole symposium on Friday for clues on the timing of a tapering of monetary stimulus. Overnight, data showed new orders for key U.S.-made capital goods were steady in July, while an acceleration in shipments suggested business investment in equipment could offset an anticipated slowdown in consumer spending and keep the economy on a solid growth path in the third quarter.

GBP: GBP/USD remains offered for the day, snaps three-day uptrend. British supermarkets warn of food shortages over Christmas due to Brexit, virus. Fears over September unknown for covid, fresh fishing war strengthen bearish impulse. DXY cheers risk-off mood, ignores depressed Treasury yields before US Core PCE Inflation, GDP and Powell's showdown at Jackson Hole. GBP/USD stands on the slippery ground after a three-day run-up, down 0.10% at the intraday low of 1.3750 heading into Thursday's London open.

EUR: EUR/USD holds mild losses on Thursday after the previous day gains. US Dollar Index rebounds slightly below 92.90, still below the last week's high. The Euro remains under pressure on downbeat data. The EUR/USD pair has been tracking minor losses in the Asian session. The pair hovers in a very narrow trade band with a negative bias. At the time of writing, the EUR/USD is trading at 1.1763, down 0.06% on the day. The greenback pared some of its gains amid the fully approved drug Pfizer-BioNTech by US FDA. The market took it as a sign that the Delta coronavirus variant won't derail the global economic recovery.

INR: The Indian rupee appreciated 13 paise to 74.11 against the US dollar NSE 0.51% in opening trade on Thursday, tracking a positive trend in domestic equities. At the interbank foreign exchange, the rupee opened at 74.22 against the dollar, then surged higher to 74.11, up 13 paise over its previous close.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.90	110.95			
GBP/KES	148.90	153.00	GBP/USD	1.3765	1.3735
EUR/KES	127.95	130.90	EUR/USD	1.1775	1.1755
INR/KES		1.5070	AUD/USD	0.7275	0.7255
			USD/INR	74.20	74.15
			Commodities		
			Gold	1788	1798
			Brent Crude	71.01	70.22

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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