

DAILY FOREX NEWSLETTER

Tuesday 14th Sept 2021

Local Markets:

The Kenyan shilling was stable against the dollar on Monday as supply matched importer demand.

Top News:

- Asia's share markets were mixed, and the dollar held steady on Tuesday, with investors awaiting U.S inflation data for more clues on when the Federal Reserve will taper stimulus.
- Oil prices extended gains on Tuesday, hovering near a six-week high, on signs another storm could affect output in Texas this week even as the U.S. industry struggles to return production after Hurricane Ida wreaked havoc on the Gulf Coast.

International Markets

USD: The dollar was little changed against other major currencies on Tuesday as investors looked to U.S. inflation data later in the session for clues on the timing of policy tightening by the Federal Reserve.

GBP: GBP/USD remains muted on Tuesday in the Asian session. Hawkish BOE surprise keeps sterling off the lower levels, UK job data eyed. A downtick in US Treasury yields keeps US dollar gains in check. GBP/USD extends the previous day's sluggish momentum and trades quietly on Tuesday morning. After testing the high of 1.3888 on Friday, the pair continued to remain submissive near 1.3850.

EUR: EUR/USD fades bounce off monthly low, eases from intraday high of late. Risk appetite turns cautious ahead of the key US CPI for August. Chatters surrounding Fed's tapering, geopolitics and virus entertain intraday traders. Bears remain hopeful but risk catalysts and the pre-Fed caution may challenge the downside. EUR/USD aptly portrays the market's indecision ahead of crucial US inflation data heading into Tuesday's European session. The currency major dropped to the lowest since August 27 the previous day before bouncing off 1.1770. The rebound, however, remains capped at around 1.1810 so far during the day.

INR: The USD/INR picks up bids to intraday high, reverses the previous day's pullback. India reports the biggest daily drop in covid cases in three weeks. Firmer US Treasury yields challenge the pair sellers, US CPI eyed. USD/INR remains on the front foot around 74.63, up 0.11% intraday, during early Tuesday. The pair began the week on a positive note before stepping back from 73.78. However, cautious mood ahead of the US Consumer Price Index (CPI) for August underpins the pair's latest gains.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.10	110.80			
GBP/KES	150.50	153.50	GBP/USD	1.3885	1.3825
EUR/KES	128.70	131.50	EUR/USD	1.1865	1.1800
INR/KES		1.5150	AUD/USD	0.7380	0.7350
			USD/INR	73.50	73.60
			Commodities		
			Gold	1790	1794
			Brent Crude	73.98	73.20

T-Bills Rates:

Duration	Current	Previous
91 Days	6.781%	6.774%
182 Days	7.253%	7.226%
364 Days	7.777%	7.517%

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