

# DAILY FOREX NEWSLETTER

Friday 21st May 2021

## Local Markets:

The Kenyan shilling weakened on Thursday to a three-week low due to increased dollar demand from importers across sectors as they took advantage of a favourable exchange rate in the past few days.

The first ship docked at Kenya's deep water Lamu Port on Thursday as the country looks to open a new transport corridor linking its vast northern region and neighbouring nations to the sea.

## Top News:

- Asian stocks rose on Friday, setting the region up for a weekly gain, as investors tempered fears about hot inflation and the prospects of an early tapering of stimulus by the Federal Reserve.
- Oil prices edged up on Friday, taking a breather after three days of losses as investors braced for the return of Iranian crude supplies after officials said Iran and world powers made progress on talks to revive a 2015 nuclear deal.

## International Markets

**USD:** The dollar was down on Friday morning in Asia, staying near milestone lows and set to record a weekly loss. Investors' risk appetite increased as concerns about the U.S. Federal Reserve's hint of tapering eased, and economic recovery from COVID-19 gave other currencies a boost against the greenback.

**GBP:** GBP/USD remains depressed below 1.4200 ahead of UK Retail Sales/ PMIs .GBP/USD pair remains subdued ahead of the key UK data, keeping its range below 1.4200. The US dollar attempts a bounce amid mixed market mood. Concerns over Brexit deadlock, UK reopening risks and Fed tapering anxiety weighs on the sentiment. UK Retail Sales are likely to see a massive jump on an annualized basis last month.

**EUR:** EUR/USD remains sidelined around multi-day high, flashed earlier in week. US dollar consolidates recent losses amid small pick-up in yields. Markets remain indecisive after US Jobless Claims propelled risk-on mood. Eurozone, US PMIs for May eyed for fresh impulse. EUR/USD grinds higher around 1.2230, up 0.05% intraday, heading into Friday's European session. The currency major pair cheered upbeat market sentiment the previous day but a lack of major catalysts and cautious sentiment ahead of the PMI data from Eurozone and the US test the bulls afterward.

**INR:** USD/INR remains pressured inside short-term falling channel bearish formation. Risk reversals drop for second consecutive week, also down the most in two weeks on D1. Downward sloping Momentum, sustained trading below 200-SMA add to bearish impulse. USD/INR stays depressed as sellers battle 73.00 level amid the initial Indian session trading on Friday. In doing so, the Indian rupee pair prints a 12-day-old descending channel on the four-hour chart.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.50	108.75			
<b>GBP/KES</b>	152.50	153.95	<b>GBP/USD</b>	1.4220	1.4150
<b>EUR/KES</b>	131.50	132.95	<b>EUR/USD</b>	1.2270	1.2220
<b>INR/KES</b>		1.4980	<b>AUD/USD</b>	0.7790	0.7780
			<b>USD/INR</b>	72.80	72.90
			<b>Commodities</b>		
			<b>Gold</b>	1876	1875
			<b>Brent Crude</b>	65.32	66.93

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.155%	7.156%
182 Days	7.953%	7.995%
364 Days	9.284%	9.365%

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