

DAILY FOREX NEWSLETTER

Tuesday 25th May 2021

Local Markets:

The Kenyan shilling was little changed against the dollar on Monday after a drop in demand for hard currency by importers.

Top News:

- Oil prices rose for a third day on Tuesday, holding around one-week highs after jumping more than 3% the previous session as investors tempered previous expectations of an early return of oil exporter Iran to international crude markets.
- Asian shares climbed in morning trade on Tuesday, tracking a Wall Street rally overnight, while the dollar held near a fourth-month low as investors tempered fears about inflation-driven rate hikes.

International Markets

USD: The dollar was down on Tuesday morning in Asia as comments from U.S. Federal Reserve officials eased investors' worries about runaway inflation.

GBP: GBP/USD extends Monday's recovery, on the bids near intraday high. EU's von der Leyen rejects hopes of NI protocol changes after EU summit. US dollar follows Treasury yields to south amid mixed chatters on inflation, tapering. US data, Brexit headlines and unlock news can entertain traders, bond moves are the key. GBP/USD cheers US dollar weakness heading into Tuesday's London open, up 0.18% intraday around 1.4180 by the press time. Alike all other major currency pairs, the cable also benefited from the downbeat US Treasury yields the previous day while also taking advantage of BOE policymakers' optimism. In doing so, the currency pair ignores recent Brexit-negative headlines as the greenback remains pressured.

EUR: EUR/USD refreshes daily high in the Asian session. US Treasury yields undermine the demand for the US dollar. Risk aversion on waning inflationary fear also weighs on the USD. The selling tone surrounding the US dollar, amid falling US Treasury yields, keeps EUR/USD on the verge of daily gains. The pair remained on the defensive near the 1.2230 level for the past five trading sessions. At the time of writing, the EUR/USD is trading at 1.2226, up 0.09% on the day.

INR: USD/INR struggles for clear direction around two-month low. Falling wedge bullish formation, RSI conditions suggest corrective pullback. 50-SMA adds to the upside filters, bears need to break 72.70 to keep reins. USD/INR remains subdued around 72.87 during the initial hour of Tuesday's Indian trading session. The Indian rupee (INR) pair dropped to the fresh low since late March on Friday, as well as stayed depressed afterward, but the sellers are likely to have lost the momentum inside a bullish chart pattern, namely the falling wedge.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.50	108.55			
GBP/KES	152.30	153.55	GBP/USD	1.4195	1.4190
EUR/KES	131.30	132.70	EUR/USD	1.2265	1.2230
INR/KES		1.4980	AUD/USD	0.7790	0.7780
			USD/INR	72.76	72.78
			Commodities		
			Gold	1873	1884
			Brent Crude	68.68	66.85

T-Bills Rates:

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

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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