

# DAILY FOREX NEWSLETTER

Thursday 27th May 2021

## Local Markets:

The Kenyan shilling inched up against the dollar on Wednesday and focus was on the Central Bank's decision on interest rates later in the day.

Kenya's Central Bank held its main lending rate KECBIR=ECI at 7.0% on Wednesday, saying inflation was expected to remain within the target range.

## Top News:

- Asian shares retreated from two-week highs on Thursday and China started on the backfoot on fears Central Banks were closer to considering winding back their emergency stimulus while the dollar held at a one-week top.
- Oil prices fell on Thursday but stayed within the tight range they have been in all weeks, as optimism on the summer driving season in the United States and Europe offset concerns about demand in India and a potential supply increase from Iran.

## International Markets

**USD:** The dollar was up on Thursday morning in Asia, amid growing expectations that the U.S. Federal Reserve will slowly but surely move towards discussing a tighter monetary policy.

**GBP:** GBP/USD reverses a dip below 1.4100 ahead of the EU open. US dollar eases as risk sentiment recovers. US Initial Jobless Claims, Durable Goods data eyed. The retreat in the US dollar is keeping GBP/USD afloat above 1.4100 ahead of the European session. The pair opened above the 1.4120 mark but failed to sustain, albeit retreated quickly to touch the intraday low at 1.4092. At the time of writing, the GBP/USD pair is trading at 1.411, down 0.06% for the day. The major theme remains the Central Banks and the inflationary pressure. The US benchmark 10-year yields rose to 1.58% with 0.43% gains for the day.

**EUR:** EUR/USD fades bounce off weekly low, offered for the second consecutive day. DXY tracks US Treasury yields to defend 90.00, trade news, Fed speak entertain markets. German data, US Durable Goods Orders and Central Bankers eyed. EUR/USD remains side-lined below 1.2200, picking up bids of late, heading into Thursday's European session. The major currency pair dropped to the weekly low, before bouncing off 1.2175, during the choppy session in Asia. Even so, upbeat Treasury yields stop the sellers amid offbeat market sentiment.

**INR:** USD/INR struggles to confirm the bullish chart formation. MACD, RSI back recovery moves but nearby SMA probe the buyers. Sellers look for clear break below 72.60 for fresh entry. USD/INR battles key hurdle to the north around 72.75-80, up 0.13% intraday, amid the initial hour Thursdays of Indian trading session. In doing so, the Indian rupee (INR) pair snaps a five-day downtrend while looking to confirm a bullish chart pattern, falling wedge, on the four-hour (4H) play.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.10	107.90			
<b>GBP/KES</b>	151.20	152.50	<b>GBP/USD</b>	1.4140	1.4190
<b>EUR/KES</b>	130.50	131.80	<b>EUR/USD</b>	1.2220	1.2290
<b>INR/KES</b>		1.4970	<b>AUD/USD</b>	0.7780	0.7810
			<b>USD/INR</b>	72.58	72.59
			<b>Commodities</b>		
			<b>Gold</b>	1900	1905
			<b>Brent Crude</b>	68.45	68.71

## 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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