

DAILY FOREX NEWSLETTER

Wednesday 28th May 2021

Local Markets:

The Kenyan shilling strengthened on Thursday mainly due to adequate supply of dollars from exporters amid a drop in demand from importers.

Kenya expects to receive a loan of \$750 million from the World Bank in the next two weeks to support its budget, the country's Central Bank governor Patrick Njoroge said on Thursday.

Top News:

- Asian stocks put global equities on course for a seventh day of gains on Friday as investors bet the U.S. will lead the world out of the COVID-19 pandemic, with the focus turning to a multi-trillion-dollar spending boost by the Biden administration.
- Oil prices pushed higher on Friday, supported by firm U.S. economic data and expectations of a strong rebound in global fuel demand in the third quarter, while concerns eased about the impact of any return of Iranian supplies.

International Markets

USD: The British pound held firm near a three-month high against the dollar on Friday on rising expectations of an earlier than expected rate hike by the Bank of England, while the U.S. currency looks to upcoming inflation data.

GBP: GBP/USD is set to decline in the Asian session on Friday. Higher US Treasury yields underpin the demand for the US dollar. Critical US PCE data eagerly waited. The GBP/USD pair lost part of its previous day's gain in the Asian session. The decline from the highs of 1.4220 can be traced back to the rebound in the US dollar.

EUR: EUR/USD reverses Thursday's recovery, holds lower ground near weekly bottom. DXY benefits from firmer US Treasury yields during quiet session. Market sentiment dwindles amid mixed signals for stimulus, inflation. Eurozone sentiment figures can offer intermediate entertainment ahead of the key US data/events. EUR/USD remains heavy inside a 10-pips trading range around intraday low, down 0.09% near 1.2185 heading into Friday's European session. In doing so, the currency-major pair fades bounce off the weekly low, marked the previous day, mainly on the US dollar rebound ahead of the key inflation figures and budget announcements.

INR: USD/INR stands on slippery ground, takes the offers around two-month low. Option markets stay bullish on INR for third consecutive week. Fears of rising unemployment, weaker GDP in India battle pre-US PCE, budget mood. USD/INR drops the most in a week as bears attack late March levels, down 0.68% intraday around 72.49 during the initial Indian session trading on Friday. The Indian rupee (INR) pair refreshes two-month low the previous before bouncing off 72.50, also closing around 73.00, amid broad US dollar recovery.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	107.90			
GBP/KES	152.00	153.10	GBP/USD	1.4220	1.4140
EUR/KES	130.50	131.80	EUR/USD	1.2210	1.2220
INR/KES		1.4980	AUD/USD	0.7780	0.7780
			USD/INR	72.25	72.58
			Commodities		
			Gold	1892	1900
			Brent Crude	69.65	68.45

T-Bills Rates:

Duration	Current	Previous
91 Days	7.139%	7.155%
182 Days	7.865%	7.953%
364 Days	9.156%	9.284%

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