

# DAILY FOREX NEWSLETTER

Friday 4th June 2021

## Local Markets:

The Kenyan shilling was unchanged on Thursday, as dollar demand from energy companies and food importers sectors was matched.

## Top News:

- Asian stocks followed Wall Street lower on Friday as signs of a strengthening U.S. recovery boosted bets for higher inflation and an earlier tapering of Federal Reserve stimulus.
- Oil prices dropped on Friday as concerns about the patchy roll-out of anti-coronavirus vaccinations around the globe tempered optimism earlier in the week that demand for fuels was recovering from the depths of the pandemic.

## International Markets

**USD:** The dollar was perched near multi-week highs on Friday, basking in its biggest gains in about a month after robust jobs data threw investors' focus on to the strength of the U.S. recovery and on the possibility of it driving policy tightening.

**GBP:** GBP/USD remains on the backfoot in the initial European trading hours. Risk-aversion dents sterling demand. US dollar gains on strong economic data, NFP eyed later. The appreciative tone of the US dollar keeps GBP/USD on the edge. The pair extends the previous day's losses and trades on a lower note on Friday.

**EUR:** EUR/USD refreshes three-week low, prints four-day downtrend. Risk-negative headlines for US, China favor greenback strength amid pre-NFP trading lull. Eurozone Retail Sales, Powell's reaction to tapering woes will act as intermediate catalysts. Strong US employment figures could extend the key support breakdown. EUR/USD drops for the fourth consecutive day while refreshing the three-week low near 1.2115, down 0.11% intraday, heading into Friday's European session. The bears cheer tapering woes and the strong US dollar, not to forget second-tier risk-linked headlines, ahead of the key US data/events.

**INR:** USD/INR reverses the early Asian run-up following's RBI's status-quo. RBI Governor Das cites enhanced and targeted policy support for exports as the need of an hour, cuts GDP forecast. US dollar remains bid on safe-haven demand amid tapering woes. US NFP, Fed's Powell and President Biden's speech will be the key event of the day. The Reserve Bank of India's (RBI) refrain from strong policy measures dragged USD/INR from intraday top to 72.98, down 0.06% on a day, amid Friday's initial Indian trading session. In doing so, the Indian rupee (INR) pair prints the first daily loss in five

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.25	108.25			
<b>GBP/KES</b>	151.20	152.80	<b>GBP/USD</b>	1.4150	1.4195
<b>EUR/KES</b>	130.00	131.20	<b>EUR/USD</b>	1.2135	1.2245
<b>INR/KES</b>		1.4900	<b>AUD/USD</b>	0.7690	0.7785
			<b>USD/INR</b>	72.80	73.05
			<b>Commodities</b>		
			<b>Gold</b>	1870	1901
			<b>Brent Crude</b>	71.14	71.92

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.137%	7.139%
182 Days	7.818%	7.865%
364 Days	8.973%	9.156%

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