

DAILY FOREX NEWSLETTER

Monday 13th June 2022

Local Markets:

The Kenya's shilling was little changed at record low levels on Friday as the energy and manufacturing sectors sought the meagre inflows of hard currency.

Top News:

- Asian stocks sank on Monday and bond yields ticked higher, as red-hot U.S. inflation reignited worries about even more aggressive Federal Reserve policy tightening, and a COVID-19 warning from Beijing added to concerns about global growth.
- Oil prices slipped more than \$2 on Monday as a flare-up in COVID-19 cases in Beijing quelled hopes for a rapid pick-up in China's fuel demand, while worries about global inflation and economic growth further depressed the market.

International Markets

USD: The yen fell to a fresh 20-year low against the dollar on Monday, as red-hot U.S. inflation data drove up Treasury yields, diminishing the earlier boost from speculation Japanese authorities could intervene to support the currency.

GBP: GBP/USD drops for the fourth consecutive day, takes offer to refresh monthly bottom. Sustained break of the key SMAs, bearish MACD signals favour bears ahead of the UK's monthly data dump. Five-week-old horizontal support zone restricts immediate downside amid oversold RSI.GBP/USD bears keep reins for the fourth consecutive day while refreshing the one-month low during Monday's mid-Asian session. In doing so, the cable pair takes offers to 1.2270 as it renews the multi-day low by the press time.

EUR: EUR/USD licks its wounds around three-week low, pares intraday losses of late.US dollar cheers risk-aversion wave as hawkish Fed bets, China-linked news weigh on market sentiment. Yields dribble around four-year high marked in May, US stock futures eye yearly low. Risk catalysts may entertain traders ahead of all-important Fed, ECB Speak is important too. EUR/USD picks up bids to consolidate daily losses around 1.0495, staying around the monthly low during a three-day downtrend amid early European morning on Monday.

INR: USD/INR refreshes all-time high before retreating to 78.20, prints four-day uptrend. Fears of aggressive Fed action join China-linked news to propel USD. India bond yields track US counterparts to jump to the highest levels since 2019.USD/INR jumps to the lifetime high of 78.40 during a four-day uptrend heading into Monday's European session, consolidating daily gains around 78.20 by the press time. The Indian rupee (INR) pair traces the broad US dollar strength, as well as pessimism in the bond market to print the record top.

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|--------|----------|
| USD/KES | 117.00 | 122.50 | | | |
| GBP/KES | 142.10 | 151.20 | GBP/USD | 1.2320 | 1.2545 |
| EUR/KES | 120.10 | 129.70 | EUR/USD | 1.0520 | 1.0680 |
| INR/KES | | 1.5910 | AUD/USD | 0.7055 | 0.7140 |
| | | | USD/INR | 77.50 | 77.00 |
| | | | Commodities | | |
| | | | Gold | 1864 | 1844 |
| | | | Brent Crude | 120.10 | 122.42 |

T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days | 7.866% | 7.811% |
| 182 Days | 9.037% | 8.974% |
| 364 Days | 9.952% | 9.935% |
| | | |

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