

# DAILY FOREX NEWSLETTER

Thursday 2nd June 2022

## Local Markets:

The Kenya's shilling weakened on Tuesday due to an increase in dollar demand from all sectors.

Kenya's finance minister has asked parliament to let the East African economy raise its debt ceiling to 10 trillion shillings (\$85.69 billion) from 9 trillion.

## Top News:

- Asian share markets fell on Thursday on widespread investor worries over high inflation and the threat of recession, while oil prices slumped following a report of reassurances from Saudi Arabia over production.
- Oil prices fell by around \$3 a barrel in early Asian trade on Thursday as investors cashed in on a recent rally with a key producer meeting later in the day set to pave the way for expected output increases.

## International Markets

**USD:** The dollar hit a three-week high against the yen in early trade on Thursday and was holding firm against other majors, supported by rising U.S. Treasury yields, which hit two-week peaks overnight.

**GBP:** GBP/USD is oscillating in an 18-pips range and a downside break looks likely on risk-off impulse. The DXY has been strengthened on the upbeat US ISM Manufacturing data. This week the release of the US NFP holds significant importance. The GBP/USD pair is displaying a topsy-turvy move in a narrow range of 1.2474-1.2492 in the Asian session. A lackluster performance in the cable is followed by a vertical downside move as an improved appeal for safe-haven assets resulted in a sell-off in the risk-perceived assets. The asset witnessed a steep fall after slipping below the crucial support of 1.2560 on Wednesday.

**EUR:** EUR/USD pares the biggest daily loss in three weeks inside a 15-pip range. Market sentiment remains sour but a pause in bond selling seems to test bears. ECB's Holzmann backs 50 bps rate hike, Fed speak portrays hawkish concerns. US ADP Employment Change can renew DXY run-up if matches recently positive US data. EUR/USD skates on thin ice as traders await early signals of Friday's US NFP, namely the ADP Employment Change, amid sluggish markets. That said, the quote remains sidelined between 1.0645 and 1.0660, recently picking up bids from the bottom, during early Thursday morning in Europe.

**INR:** The Indian rupee was trading lower against the dollar as robust U.S. manufacturing data increased the likelihood of the Federal Reserve pursuing a more aggressive rate hike cycle. Asian currencies came under pressure after the dollar jumped yesterday following an unexpected pickup in U.S. manufacturing activity.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	116.80	122.50			
<b>GBP/KES</b>	145.80	154.80	<b>GBP/USD</b>	1.2525	1.2660
<b>EUR/KES</b>	122.70	131.90	<b>EUR/USD</b>	1.0690	1.0795
<b>INR/KES</b>		1.5890	<b>AUD/USD</b>	0.7190	0.7250
			<b>USD/INR</b>	76.85	76.90
			<b>Commodities</b>		
			<b>Gold</b>	1844	1853
			<b>Brent Crude</b>	114.21	123.40

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.744%	7.758%
182 Days	8.901%	8.832%
364 Days	9.881%	9.879%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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