

DAILY FOREX NEWSLETTER

Monday 6th June 2022

Local Markets:

The Kenya's shilling was unchanged on Friday, although it was forecast it to weaken due to demand for dollars from the energy sector and general goods importers.

Top News:

- Asian shares steadied on Monday as U.S. stock futures made cautious gains ahead of U.S. inflation data later in the week, while the euro touched a seven-year top on the yen amid wagers of European Central Bank tightening.
- Oil futures jumped on Monday, with Brent rising above \$120 a barrel after Saudi Arabia hiked prices for its crude sales in July, signaling tight supply even after OPEC+ agreed to accelerate output increases over the next two months.

International Markets

USD: The dollar was down on Monday morning in Asia, but moves were small as investors bet on more interest rate hikes over an upbeat U.S. job report.

GBP: GBP/USD licks its wounds after posting the first weekly loss in three. Tory rebels brace for holding vote of no-confidence in UK PM Johnson. UK PM Johnson may unveil housing plans to shift focus from party gate-linked dislike. US inflation, Brexit and China are additional catalysts to watch for clear directions. GBP/USD picks up bids to consolidate the first weekly losses in three around 1.2500, bouncing off the 21-DMA, during early Monday morning in Europe. However, a lack of major catalysts and political fears at home restrict the pair's immediate moves.

EUR: EUR/USD fades bounce off intraday low, struggles to reverse the previous day's pullback. Absence of Fed speak highlights US inflation as bets for 50 bps rate hike in September jumped last week. Record high Eurozone inflation pushes bulls to seek clues for ECB's July rate-lift. Bank holidays in France, Germany may restrict intraday moves amid a light calendar elsewhere. EUR/USD fades recovery momentum from intraday low as mixed sentiment joins cautious mood ahead of this week's key data/events

INR: The Indian rupee was trading a tad lower to the dollar as crude oil prices climbed to three-month highs, exacerbating worries over the inflation and growth outlook. The rupee was last quoting at 77.66 per dollar compared with 77.62 in the previous session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	116.80	122.50			
GBP/KES	145.80	153.85	GBP/USD	1.2545	1.2595
EUR/KES	122.70	131.90	EUR/USD	1.0765	1.0790
INR/KES		1.5890	AUD/USD	0.7245	0.7295
			USD/INR	76.85	76.80
			Commodities		
			Gold	1856	1867
			Brent Crude	120.50	117.18

T-Bills Rates:

Duration	Current	Previous
91 Days	7.811%	7.744%
182 Days	8.974%	8.901%
364 Days	9.935%	9.881%

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