

DAILY FOREX NEWSLETTER

Tuesday 7th June 2022

Local Markets:

The Kenya's shilling was stable on Monday, while a paucity of dollars amid heightened demand from importers and the manufacturing sector was maintaining pressure on the local unit.

Top News:

- Asia's stock markets edged lower on Tuesday, the yen hit a 20-year low and bond markets wavered as investors nervously awaited U.S. inflation figures and Central Bank meetings in Australia, Europe and, next week, in the United States.
- Oil prices inched higher on Tuesday on expected demand recovery in China as it relaxed tough COVID curbs and doubts a higher output target by OPEC+ producers would ease tight supply.

International Markets

USD: The dollar was up on Tuesday morning in Asia over expectations that the U.S. Federal Reserve will deliver more interest rate hikes.

GBP: GBPUSD struggles to extend the bounce off intraday low, stays pressured. Sustained trading below 50-SMA join downbeat oscillators to keep seller's hopeful. Further downside needs validation from 1.2480 to aim for a 150-pip fall. GBP/USD fades bounce off the intraday low as it retreats to 1.2500 during early Tuesday morning in Europe. In doing so, the cable pair remains pressured inside a one-week-old symmetrical triangle.

EUR: EUR/USD has displayed a weak pullback towards 1.0684 as the DXY has turned sideways. Investors should brace for a hawkish stance from the ECB in its monetary policy announcement. A higher-than-expected US inflation figure will bolster caution in the FX domain. Modest recovery has pushed the EUR/USD pair a little higher, however, the downside in the asset looks likely as volatility is expected to sustain ahead of the release of the US inflation and the interest rate decision by the European Central Bank (ECB).

INR: USD/INR snaps two-day uptrend while reversing from a fortnight top. FPI's biggest daily sale of Indian bonds in a month, firmer US oil prices weigh on INR. Eight-year high inflation pushes RBI towards rate hike, Reuters poll signals 0.50% lift. Second-tier US data, risk catalysts are important too. USD/INR extends pullback from a two-week high while refreshing daily lows near 77.70 during the initial hour of the Indian trading session on Tuesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	116.80	122.60			
GBP/KES	144.20	153.45	GBP/USD	1.2510	1.2545
EUR/KES	122.70	131.60	EUR/USD	1.0710	1.0765
INR/KES		1.5925	AUD/USD	0.7210	0.7245
			USD/INR	76.90	76.85
			Commodities		
			Gold	1842	1856
			Brent Crude	120.14	120.50

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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