

DAILY FOREX NEWSLETTER

Wednesday 8th June 2022

Local Markets:

The Kenya's shilling traded flat on Tuesday but was vulnerable to weakening as dollar demand from fuel companies and the manufacturing sector outmatched inflows.

Top News:

- Asia stocks rose on Wednesday, encouraged by a rally on Wall Street, but gains were kept in check by worries that aggressive central bank policy tightening will stifle global growth and raise the risks of stagflation.
- Oil prices edged up on Wednesday ahead of data on U.S. oil inventories, with crude futures supported by tight supplies and recovering fuel demand as China's top cities relax COVID-19 curbs.

International Markets

USD: The dollar was up on Wednesday morning in Asia as central banks globally are expected to brace for tightening policies to tame inflation.

GBP: GBP/USD reverses the recovery from three-week low, snaps two-day uptrend. Chatters over Brexit falsification grow stronger amid political chaos in the UK. US Treasury yields underpin greenback's recovery moves ahead of US inflation. Sour sentiment can keep seller's hopeful amid a light calendar. GBP/USD fades bounce off three-week low, renews intraday bottom around 1.2565, amid fresh fears concerning Brexit and global recession, as well as Fed's faster/heavier rate hikes. In doing so, the cable pair snaps a two-day uptrend during the early Wednesday morning in Europe.

EUR: EUR/USD has slipped to 1.0680 after failing to sustain above the psychological resistance of 1.0700. The DXY is scaling north on advancing odds of a higher US inflation figure. Any delay in a rate hike by the ECB would worsen the inflation situation. The EUR/USD pair is scaling lower gradually after failing to sustain above the psychological resistance of 1.0700. A bearish open test-drive move has been recorded in the asset as the shared currency bulls faced selling pressure around 1.0708 after a nominal upside at the open

INR: USD/INR remains pressured inside familiar trading range despite RBI's 50 bps rate hike. RBI surpasses market forecasts by increasing the Repo Rate to 4.9%. Inflation fears, firmer oil prices exert downside pressure on the INR. Risk-aversion wave, US dollar strength ahead of key data/events keep bears hopeful. USD/INR stays indifferent to the RBI's rate increase during early Wednesday in Europe. In doing so, the Indian rupee (INR) pair seesaws around 77.70 by the press time.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	116.80	122.60			
GBP/KES	144.20	154.35	GBP/USD	1.2595	1.2510
EUR/KES	122.70	131.20	EUR/USD	1.0705	1.0710
INR/KES		1.5925	AUD/USD	0.7245	0.7210
			USD/INR	76.95	76.90
			Commodities		
			Gold	1847	1842
			Brent Crude	121.01	120.14

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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