

DAILY FOREX NEWSLETTER

Thursday 9th June 2022

Local Markets:

The Kenya's shilling held firm on Wednesday but remained squeezed by dollar demand from fuel importers and the manufacturing sector amid a shortfall in supply from remittances and tea exporters.

Top News:

- Asian stocks fell, U.S. bond yields rose, and a soaring dollar pushed to a two-decade high against the yen on Thursday as investors worried about the outlook for more rate rises ahead of a key meeting of the European Central Bank later in the day.
- Oil prices extended gains on Thursday, underpinned by robust demand in the world's top consumer United States while demand is expected to rebound in China as COVID-19 curbs across major cities are relaxed.

International Markets

USD: The dollar was down on Thursday morning in Asia. The European Central Bank meeting and its policy decisions later in the day remained the biggest focus of the market

GBP: GBP/USD is expected to tumble further on advancing hopes of a bumper rate hike by the Fed. Lower growth forecasts and higher sky-rocketing inflation levels will keep pound bulls on the tenterhooks. Higher US NFP has provided more liberty to the Fed to dictate more quantitative tightening. The GBP/USD pair is scaling lower after failing to sustain above 1.2540 in the Asian session. The greenback bulls are dragging the asset towards the psychological support of 1.2500 as negative market sentiment has trimmed the risk appetite of investors

EUR: EUR/USD is advancing towards 1.0750 as investors await interest rate decisions from the ECB. The shared currency bulls are strengthened by the upbeat GDP data. Investors will remain busy as the ECB's policy will be followed by the US Inflation event. The EUR/USD pair has bounced back sharply after ranging around 1.0710 in the Asian session. A minor rebound in the risk appetite has brought some bids for the shared currency bulls. More or less, the asset is going to react to the interest rate decision by the European Central Bank (ECB).

INR: USD/INR again retreats from a short-term key horizontal hurdle. 100-SMA, monthly ascending trend line to test pair sellers. RSI conditions, sustained trading beyond 200-SMA keeps buyers hopeful. USD/INR fades the previous day's corrective pullback, easing from a three-week-old horizontal resistance to 77.71 during Thursday's mid-Asian session.

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	1.2565	1.2595
EUR/KES	122.70	131.20	EUR/USD	1.0760	1.0705
INR/KES		1.5925	AUD/USD	0.7215	0.7245
			USD/INR	76.95	76.95
			Commodities		
			Gold	1854	1847
			Brent Crude	123.95	121.01

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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