

DAILY FOREX NEWSLETTER

Monday 5th June 2023

The Kenya's shilling weakened on Friday, undermined by increased dollar demand from fuel retailing companies and manufacturers.

International Markets

- Asia-Pacific markets are largely higher after U.S. President Joe Biden signed into law a debt ceiling bill that allowed the U.S. to avert defaulting on its financial obligations over the weekend.
- Oil prices rose more than 2% on Friday after the U.S. Congress passed a debt ceiling deal that averted a government default in the world's biggest oil consumer and jobs data fed hopes for a possible pause in interest rate hikes ahead of a meeting of OPEC and its allies this weekend.

USD: Most Asian currencies retreated on Monday, while the dollar traded near two-month highs amid uncertainty over whether the Federal Reserve would hike interest rates in June, with focus now turning to central bank meetings in India and Australia this week.

GBP: GBP/USD extends the previous day's reversal from three-week high, holds lower ground near intraday bottom. BoE hawks retreat amid lack of UK data, US Dollar cheers escalating Fed rate hike concerns on upbeat US NFP. Light calendar in Asia, mixed sentiment fails to inspire Pound Sterling traders. Final readings of UK S&P Global PMIs, US ISM Services PMI for May eyed for intraday moves of Cable. GBP/USD remains pressured toward 1.2400 while extending the previous day's U-turn from a three-week high heading into Monday's London open, mildly offered near intraday low of 1.2426 by the press time.

EUR: EUR/USD stays defensive as sellers flirt with 200-EMA, seven-month-old support line. Looming bull cross on MACD, below-50.00 RSI conditions prod Euro bears. Euro buyers need validation from 100-EMA to retake control. EUR/USD remains pressured around the intraday low, making rounds to 1.0700 of late, as a short-term key support confluence challenges the Euro sellers amid Monday's sluggish Asian session.

INR: USD/INR stays on the front foot after reversing from 13-day low on Friday. Strong US NFP renews hawkish Fed concerns while softer India data allows RBI to defend status quo. Risk-off mood, higher Oil price also weigh on Indian Rupee ahead of the key week. Second-tier US data, risk catalysts may entertain intraday traders. USD/INR extends recovery from 50-day EMA to around 82.50 heading into Monday's European session. In doing so, the Indian Rupee (INR) pair cheers the US Dollar strength, as well as downbeat sentiment and the firmer Crude Oil price to propel the pair of late.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	136.50	140.20			
GBP/KES	169.60	174.50	GBP/USD	1.2472	1.2537
EUR/KES	146.20	150.20	EUR/USD	1.0740	1.0777
INR/KES		1.7030	AUD/USD	0.6648	0.6615
			USD/INR	82.31	82.30
			Commodities		
			Gold	1945	1982
			Brent Crude	77.12	74.71

T-Bills Rates:

Duration	Current	Previous
91 Days	11.103%	10.832%
182 Days	11.112%	10.113%
364 Days	11.497%	11.457%

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