

DAILY FOREX NEWSLETTER

Thursday 8th June 2023

The Kenyan shilling slid further on Wednesday, hurt by foreign-currency demand across all sectors of the economy, especially manufacturing and energy.

International Markets

- Asia-Pacific markets slid as Wall Street saw a pause in its market rally and the broad market index fluctuated near its highest closing levels since August 2022. Investors in the region also further assessed economic data that has been released this week.
- Oil prices were little changed in early Asia trade on Thursday as investors weighed demand concerns over a global economic slowdown against an expected fall in supply from Saudi output cuts.

USD: The dollar edged higher against the yen on Wednesday as investors awaited U.S. inflation data for May and the Fed's interest rate decision next week, while the Canadian dollar jumped after the Bank of Canada hiked rates.

GBP: GBP/USD stays on the front foot for the second consecutive day after reversing from weekly top. Easing British labor shortage contrasts with housing market pressure to challenge BoE rate speculations. Fed's June rate hike slips off the table with July likely being the last rate hike. Cable buyers may have limited upside room as UK politics, BoE clues probing Pound Sterling optimists. GBP/USD buyers occupy driver's seat around 1.2450, despite marking a slow run towards the north heading into Thursday's London open. In doing so, the Cable pair buyers cheer the receding odds of a Fed rate hike in June while early signals for the Bank of England's (BoE) interest rate guide appear mixed.

EUR: EUR/USD edges higher and retakes the 1.0700 mark during the Asian session on Thursday. A mildly softer tone around the USD is seen as a key factor lending support to the major. The formation of a bearish pennant warrants caution before positioning for further gains. The EUR/USD pair attracts some buying following the overnight pullback from the weekly high and climbs back above the 1.0700 mark during the Asian session on Thursday.

INR: USD/INR grinds lower while keeping the daily loss after RBI's inaction. RBI keeps benchmark Repo rate unchanged at 6.5%, as expected. Mixed global growth, Fed concerns prod sentiment in Asia-Pacific zone, putting a floor under US Dollar price. Risk catalysts eyed for short-term directions ahead of next week's FOMC. USD/INR justifies the Reserve Bank of India (RBI) inaction during early Thursday as it reverses the initial losses around 82.60 after the Indian central bank's monetary policy decision.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	137.00	140.70			
GBP/KES	170.80	175.40	GBP/USD	1.2497	1.2461
EUR/KES	147.00	150.90	EUR/USD	1.0745	1.0725
INR/KES		1.7120	AUD/USD	0.6705	0.6725
			USD/INR	82.07	82.07
			Commodities		
			Gold	1946	1963
			Brent Crude	76.79	75.80

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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