

DAILY FOREX NEWSLETTER

Tuesday 08th June 2021

Local Markets:

The Kenyan shilling was stable on Monday and is expected to be supported by inflows from investors due to buy government bonds.

Top News:

- Gold held on to gains as the dollar slid on Monday, with investors awaiting U.S. inflation data later this week for clarity on when the Federal Reserve might start tapering economic support measures.
- Oil prices lost more ground on Tuesday as concerns about the fragile state of the global recovery in demand for crude and fuels were heightened by data showing China's oil imports fell in May.

International Markets

USD: The U.S. dollar was subdued on Tuesday as investors looked to U.S. inflation data due later in the week after softer-than-expected jobs data quelled expectations of an early tapering in the Federal Reserve's stimulus. The data helped to pin down U.S. bond yields near their recent lows, weighing on the dollar, while investors now looked to consumer price data on Thursday for fresh direction. Many investors now expect the Fed to unveil a plan to reduce its bond purchase later this year, and actual tapering to start early next year.

GBP: GBP/USD prints losses in the Asian session. Renewed US dollar strength exerts pressure on the pair. Possible delayed lockdown easing, Brexit concerns weigh on sterling. The GBP/USD pair continues to trade lower in Tuesday's Asian session. The pair opened almost flat in the early trade and retreated quickly towards the lower side of the trade. At the time of writing, GBP/USD trades at 1.4160, down 0.13% so far. The pair came under pressure as the speculation of a delay in the lifting of lockdown restrictions surfaced amid the threat of 'delta' COVID-19 strain, first detected in India.

EUR: EUR/USD holds lower ground near intraday low, drops for the first time in three days. Downbeat US Treasury yields add to the US dollar weakness amid sluggish markets. Covid, stimulus news battle mixed concerns over inflation, China to portray cautious optimism. Eurozone GDP, German ZEW figures in the spotlight, Thursday becomes the key day. EUR/USD marks the first daily drop in three as it edges lower around 1.2180, down 0.08% intraday heading into Tuesday's European session.

INR: The rupee opened on a flat note and inched higher by 3 paise to 72.77 against the US dollar in early trade on Tuesday amid strong American currency overseas and subdued domestic equity markets. However, lower crude prices supported the domestic unit, dealers said. At the interbank foreign exchange, the rupee opened at 72.78 against the dollar and inched up to touch 72.77 in early deals, registering a rise of 3 paise over its previous close.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	108.50			
GBP/KES	151.00	153.95	GBP/USD	1.4160	1.4180
EUR/KES	130.25	132.55	EUR/USD	1.2190	1.2200
INR/KES		1.5000	AUD/USD	0.7750	0.7780
			USD/INR	72.80	72.65
			Commodities		
			Gold	1900	1885
			Brent Crude	71.02	71.59

T-Bills Rates:

Duration	Current	Previous
91 Days	7.137%	7.139%
182 Days	7.818%	7.865%
364 Days	8.973%	9.156%

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