

DAILY FOREX NEWSLETTER

Wednesday, 09th June 2021

Local Markets:

The Kenyan shilling was stable on Tuesday and was expected to weaken due to increased dollar demand from energy sector and food importers.

Top News:

- Gold prices inched higher on Wednesday, helped by a fall in U.S. bond yields, with investors holding back from making large bets ahead of U.S. inflation data and the European Central Bank policy meeting this week.
- Oil prices rose for a second day on Wednesday on signs of strong fuel demand in Europe, while the prospect of a near-term return of Iranian oil supply faded as the U.S. secretary of state said sanctions against Tehran were unlikely to be lifted.

International Markets

USD: The dollar was down on Wednesday morning in Asia with investors awaiting upcoming U.S. inflation data while digesting that released by China earlier in the day. They also await a European Central Bank (ECB) policy decision to further gauge the economic recovery from COVID-19 and central banks' potential next steps. Investors continued to bet against the greenback but remained concerned about whether central banks would begin to withdraw their unprecedented stimulus measures. Also, of interest is whether rising interest rates will end a 15-month dollar downtrend.

GBP: GBP/USD cheers US dollar pullback to print mild gains, the third daily upside in four. Brexit negotiators from EU, UK meet in London for last ditched efforts to resolve NI protocol issues. Confusion over UK's unlock, inflation battles stimulus hopes amid a quiet session. Brexit updates, China-linked news can offer intermediate clues ahead of Thursday's key G7, US CPI. GBP/USD eases from the intraday top, up 0.06% on a day around 1.4165, heading into Wednesday's London open. In doing so, the quote rises for the third day in the last four, except the previous day's drop, amid broad US dollar weakness.

EUR: EUR/USD is trading with modest gains on Wednesday. US dollar remains muted, keeping the pair underpinned. The euro holds onto gains on mixed economic data. The sluggish movement in the US dollar keeps EUR/USD on the higher side in the Asian session. The pair makes consolidated moves comprising a 15-pips movement below 1.2200. At the time of writing, EUR/USD trades at 1.2184, up 0.11% up for the day.

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. On Monday, the rupee had settled at 72.80 against the US dollar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.10	108.50			
GBP/KES	150.90	153.85	GBP/USD	1.4155	1.4160
EUR/KES	130.20	132.40	EUR/USD	1.2185	1.2190
INR/KES		1.4980	AUD/USD	0.7745	0.7750
			USD/INR	72.95	72.80
			Commodities		
			Gold	1895	1900
			Brent Crude	72.56	71.02

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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