

# DAILY FOREX NEWSLETTER

Thursday, 10<sup>th</sup> June 2021

## Local Markets:

The Kenyan shilling was a little changed on Wednesday and was expected to ease due to dollar demand from importers in the energy sector and commercial banks.

## Top News:

- Gold prices were subdued on Thursday, weighed down by a firmer dollar, as investors sat on the side-lines waiting for clearer signals on inflation levels and economic growth ahead of U.S. data and the European Central Bank meeting later in the day.
- Oil prices slid on Thursday as inventory data in the United States, the world's top oil consumer, showed a surge in gasoline stocks that indicates weaker-than-expected fuel demand at the start of summer, the country's peak season for motoring.

## International Markets

**USD:** The dollar continued to hover near a five-month low versus major peers on Thursday as investors looked to key U.S. inflation data and a European Central Bank meeting later in the day to potentially set the direction for currency markets. Investors have adopted a wait-and-see attitude all week, sucking volatility from the market and leaving major currencies mostly range-bound. The U.S. Labor Department's consumer prices data has been much anticipated after last month's report showed consumer prices increased by the most in nearly 12 years in April.

**GBP:** GBP/USD treads water in the Asian session. US dollar remains steady and exerts pressure on the pair. Brexit concerns, Delta strain added to the British pound struggle. The appreciative move in the US dollar keeps GBP/USD off guard on Thursday's Asian trading hours. The pair remains reluctant to shed the previous day's weakness and continues to make minute moves with no meaningful tractions. At the time of writing, GBP/USD trades at 1.4114, down 0.03% for the day.

**EUR:** EUR/USD remains on the back foot near intraday low. Downbeat Treasury yields put a bid under the US dollar. Sino-American headlines, G7 and Brexit can act as extra catalysts. ECB eyed for economic outlook, US CPI needs stronger-than-forecast print to keep USD afloat. EUR/USD pares weekly gains near 1.2165, down 0.10% intraday, heading into the Super Thursday's European session. Escalating market anxiety ahead of the ECB action and the US Consumer Price Index (CPI) joins mixed chatters over US-China ties and Brexit, not to forget G7 communiqué leak, to weigh on the major currency pair by the press time.

**INR:** The rupee declined by 8 paise to end at 72.97 against the US currency on Wednesday in its second straight day of losses amid a lacklustre trend in domestic equities. At the interbank foreign exchange market, the rupee opened on a negative note at 72.90 per dollar as against its previous close of 72.89. It hovered in the range of 72.88 to 73.02 per dollar during the day before ending at 72.97.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	107.10	108.50			
<b>GBP/KES</b>	150.50	153.36	<b>GBP/USD</b>	1.4110	1.4155
<b>EUR/KES</b>	130.45	132.30	<b>EUR/USD</b>	1.2170	1.2185
<b>INR/KES</b>		1.4980	<b>AUD/USD</b>	0.7740	0.7745
			<b>USD/INR</b>	72.90	72.95
			<b>Commodities</b>		
			<b>Gold</b>	1885	1895
			<b>Brent Crude</b>	71.61	72.56

## 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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