

DAILY FOREX NEWSLETTER

Monday 7th June 2021

Local Markets:

The Kenyan shilling was little changed on Friday although cross-sector demand for dollars continued to exert some downward pressure.

Kenya's private sector activity grew at its fastest rate in four months in May, helped by the lifting of some restrictions aimed at slowing the spread of COVID-19, a survey showed on Friday.

Top News:

- Asian shares drifted off on Monday as relief over the benign U.S. jobs report was chilled by caution ahead of key inflation data later this week, while a coronavirus outbreak in Taiwan took an increasing toll on hard-pressed chip makers.
- Oil pulled back after hitting fresh multi-year highs on Monday, as investors awaited the outcome of this week's talks between Iran and world powers over a nuclear deal that is expected to boost crude supplies.

International Markets

USD: The dollar was up on Monday morning in Asia. However, a softer-than-expected U.S. employment report for May put the greenback under gentle pressure as the week opens.

GBP: GBP/USD fails to extend Friday's recovery moves, holds lower ground. Weekly risk reversal drops back to favour sellers, US President Biden ready to interfere in Brexit issue. Pullback from immediate resistance line drags the quote towards 13-day-old horizontal support. GBP/USD grinds lower around 1.4145, down 0.12% intraday, heading into Monday's London open. In doing so, the cable fades Friday's bounce off monthly low amid mixed concerns relating to the options market players as well as risk catalysts, mainly relating to Brexit.

EUR: EUR/USD stays muted on Monday in the Asian trading hours. US dollar remains subdued after downbeat Job data. The euro fails to lock in gains, ECB eyed later in the week. The EUR/USD pair trades with minute losses on the first day of the fresh trading week. The pair moves in a very narrow range of 15-pips with no meaningful traction. The job data showed US Nonfarm Payrolls came at 559K in May and missed the market expectations by nearly 90k. Investors digested the data and it seemed inflation worries had cooled down, as the market felt that data was not encouraging to cause a shift in the Fed's current monetary policy stance. This, in turn, weighed on the US dollar's demand.

INR: The Indian rupee was at 72.8250/73.8350, against 72.9950/73.0050 in the previous session, after a weaker-than-expected U.S. non-farm payroll report reduced the odds of the Federal Reserve slowing its asset purchases. The benchmark BSE Sensex and the broader NSE index were trading 0.20% and 0.30% higher, respectively, as sentiment was supported due to easing Covid-19 caseloads. Asian shares were trading mixed. ICICI Bank and ITC led the gains.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	107.25	108.25			
GBP/KES	152.00	153.10	GBP/USD	1.4180	1.4150
EUR/KES	130.50	131.80	EUR/USD	1.2200	1.2135
INR/KES		1.4980	AUD/USD	0.7780	0.7690
			USD/INR	72.65	72.80
			Commodities		
			Gold	1885	1870
			Brent Crude	71.59	71.14

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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