

# DAILY FOREX NEWSLETTER

Thursday 12th May 2022

## Local Markets:

The Kenya's shilling held ground against the dollar on Wednesday but remained under pressure from fuel importers and with little indication of support on the supply side.

## Top News:

- Stocks fell and the dollar held firm on Thursday as data showed U.S. inflation persistently high, and investors worried about the economic toll of aggressive interest rate hikes to tame it.
- Oil prices dropped more than 1% on Thursday in a volatile week as economic concerns and recession fears dogged global financial markets, outweighing supply concerns and geopolitical tensions in Europe.

## International Markets

**USD:** The dollar was up on Thursday morning in Asia as U.S. inflation eased less than expected, keeping the U.S. Federal Reserve on course to tighten monetary policy aggressively.

**GBP:** GBP/USD may find significant offers after a pullback to near 1.2260. Higher US CPI has bolstered the odds of a 75 bps rate hike by the Fed. The UK GDP is seen diverted on monthly and yearly figures. The GBP/USD pair has displayed a downside break of its week-long consolidation placed in a range of 1.2260-1.2400. The asset may test the lower range of consolidation to verify bears' strength, but the downside is intact as higher US inflation numbers have strengthened the odds of a bumper rate hike by the Federal Reserve (Fed) in June.

**EUR:** EUR/USD struggles to overstep 50-EMA, hopes of fresh five-year low renew. The EUR/USD pair has witnessed a minor rebound after printing a low of 1.0507 in the Asian session. The asset is oscillating in a broader range of 1.0483-1.0642 since April 28 after witnessing a sheer downside move from 1.0936 on April 21.

**INR:** Indian rupee opened at 77.52 against the US dollar on Thursday. This is lower than its close of 77.24 against the US dollar on Wednesday. Rupee opened sharply lower at 77.52 against the American dollar and went down by 30 paise to 77.55 paise from the last close at the interbank exchange. Domestic currency was moving in the range of 77.50 and 77.57 in initial deals.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	115.50	118.75			
<b>GBP/KES</b>	140.80	146.50	<b>GBP/USD</b>	1.2245	1.2380
<b>EUR/KES</b>	120.50	125.70	<b>EUR/USD</b>	1.0550	1.0585
<b>INR/KES</b>		1.5550	<b>AUD/USD</b>	0.6950	0.6990
			<b>USD/INR</b>	77.00	76.90
			<b>Commodities</b>		
			<b>Gold</b>	1852	1838
			<b>Brent Crude</b>	106.25	104.85

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.580%	7.497%
182 Days	8.542%	8.458%
364 Days	9.840%	9.776%

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