

DAILY FOREX NEWSLETTER

Friday 13th May 2022

Local Markets:

The Kenya's shilling was unchanged against the dollar on Thursday but was on the back foot as dollar demand from the energy and manufacturing sectors outstripped supply.

Top News:

- Asian shares found some footing after a volatile session for U.S. equities, but the dollar remained at 20-year highs and global stocks near 18-month lows on worries about persistently high inflation and tightening Central Banks.
- Oil prices firmed in early trade on Friday but were headed for their first weekly losses in three weeks as worries about inflation and China's COVID lockdowns slowing global growth outweighed concerns about dwindling fuel supply from Russia.

International Markets

USD: The dollar was down on Friday morning in Asia but remains near a 20-year high. Persistent global economic worries gave the dollar support.

GBP: GBP/USD grinds higher around intraday top, keeps bounce off two-year low. One-week-old previous support tests recovery moves amid bullish MACD signals. Steady RSI, short-term descending trend line challenge the rebound. May 2020 lows to lure bears during further downside. GBP/USD struggles to extend corrective pullback from multi-month low as a short-term resistance, previous support line, tests buyers around 1.2215 during early Friday morning in Europe.

EUR: EUR/USD stabilizes around five-year low after positing the biggest daily loss since March 2020. US PPI, Fed speak seems to have favored a rebound in Treasury Yields, stock futures but the bears stay hopeful. ECB policymakers renew July rate hike concerns but tussles with Russia, economic fears weigh on Euro. US consumer sentiment gauge for May, EU's verdict on Russian oil embargo and ECB Speak will be eyed for fresh impulse. EUR/USD licks its wounds near 1.0380, after refreshing a five-year low the previous day, as global markets consolidate recent moves amid an absence of major catalysts during Friday's Asian session.

INR: USD/INR takes offers to refresh intraday low, extends pullback from record high. RBI said to have infused \$700 million to defend rupee as India inflation jumped to eight-year high. Mixed Fed speak, absence of unexpectedly strong PPI triggered USD pullback amid a quiet session. China's covid hopes to add to the recovery strength, US Michigan Consumer Sentiment Index for May eyed. USD/INR justifies the bearish Doji at the record top while taking offers to renew the intraday low near 77.32 during the initial Indian trading session on Friday. Not only the Doji candle but cautious optimism in Asia and the US dollar's pullback from a 20-year high also weigh on the Indian rupee (INR) pair.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	115.50	118.75			
GBP/KES	140.80	146.50	GBP/USD	1.2247	1.2245
EUR/KES	119.80	124.60	EUR/USD	1.0450	1.0550
INR/KES		1.5540	AUD/USD	0.6935	0.6950
			USD/INR	76.90	77.00
			Commodities		
			Gold	1827	1852
			Brent Crude	109.58	106.25

T-Bills Rates:

Duration	Current	Previous
91 Days	7.683%	7.580%
182 Days	8.722%	8.542%
364 Days	9.860%	9.840%

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