

# DAILY FOREX NEWSLETTER

Monday 16th May 2022

## Local Markets:

The Kenya's shilling inched lower against the dollar on Friday, as demand for hard currency from the fuel sector was met with muted supply.

## Top News:

- Asian share markets were struggling to sustain even a minor rally on Monday after shockingly weak data from China underlined the deep damage lockdowns were doing to the world's second-largest economy.
- Oil prices slipped on Monday, giving up earlier gains as investors took profits after a surge in the previous session, but global supply fears loomed with the European Union preparing to phase in a ban on imports from Russia.

## International Markets

**USD:** The dollar was down on Monday morning in Asia, starting the week near a 20-year high. However, investors are turning to the U.S. currency thanks to fears about global growth while cryptocurrency markets appeared to find some stability after a tumultuous week

**GBP:** GBP/USD reverses Friday's corrective pullback from two-year low. UK's readiness to alter NI protocol, despite EU's warning, keeps Brexit fears on the table. China's downbeat data, covid news refresh risk-aversion wave. Light calendar focuses on qualitative catalysts for fresh impulse, UK jobs report, US Retail Sales are crucial for the week. GBP/USD holds lower ground near 1.2340 as Friday's corrective pullback fades amid fresh challenges to sentiment during early Monday morning in Europe. Also weighing on the quote are the fears emanating from Brexit chatters, recently surrounding the Northern Ireland Protocol

**EUR:** EUR/USD drops below 1.0400 on sour sentiment, Eurozone economic forecasts eyed. EUR/USD reverses Friday's corrective pullback from five-year low. Risk-aversion returns to table after China reports downbeat economics, renews covid fears. Eurozone's quarterly economic forecasts become interesting amid Russia-Ukraine crisis, ECB's July rate hike concerns.

**INR:** USD/INR to remain well supported within a 77.20-25-77.70-75 range. Supported by soured risk sentiment as China data much weaker than expected. Elevated oil prices, expectations of aggressive Fed rate hikes underpin. RBI intervention to cap; Central bank expected to rise rates in June. India currency and debt markets shut for a local holiday Monday Resistance 77.60-65, 77.75-80, 78.00; support 77.25-30, 77.05-10

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	115.50	118.90			
<b>GBP/KES</b>	141.00	146.10	<b>GBP/USD</b>	1.2285	1.2247
<b>EUR/KES</b>	119.80	124.40	<b>EUR/USD</b>	1.0465	1.0450
<b>INR/KES</b>		1.5540	<b>AUD/USD</b>	0.6955	0.6935
			<b>USD/INR</b>	77.00	76.90
			<b>Commodities</b>		
			<b>Gold</b>	1808	1827
			<b>Brent Crude</b>	109.22	109.58

## 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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