

# DAILY FOREX NEWSLETTER

Tuesday 17th May 2022

## Local Markets:

The Kenya's shilling was unchanged on Monday, and it was expected to ease due to increased demand for dollars from importers, especially oil companies.

## Top News:

- Asian shares edged higher on Tuesday despite data reinforcing investor fears the global economic recovery may be more fragile than expected, even as inflationary pressures remain high.
- Oil prices eased on Tuesday as Hungary resisted a European Union push for a ban on Russian oil imports, a move that would tighten global supply, and as investors took profits following a recent rally.

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia as it continues its fight for a footing. The Chinese yuan found a floor from its recent drop, however, with investors reducing bets on rising U.S. interest rates leading to further gains for the U.S. currency.

**GBP:** GBP/USD is advancing towards 1.2350 amid an improvement in the risk appetite of investors. The UK's jobless claims are expected to see a potential cut as per the market consensus. The street is expecting outperformance from the US Retail Sales data. The GBP/USD pair is trading minutely positive in the Asian session as investors are awaiting the release of the UK labor force data. The UK's Office for National Statistics will report the Claimant Count Change in the early European session. The cable is performing a little better on Tuesday as the risk-on impulse is gaining traction. Risk-perceived assets are attracting more funds, which has underpinned sterling against the greenback

**EUR:** EUR/USD bounces off intraday low as bulls await fresh the key catalysts during three-day uptrend. US dollar stays pressured despite firmer yields, risk-on mood weigh on greenback. EC forecasts downgraded GDP estimations, Fed's Powell expected to repeat 50 bps rate hike concerns. US Retail Sales for April, risk catalysts are also important for fresh impulse. EUR/USD picks up bids from intraday low during a three-day uptrend, mildly bid around 1.0440 during early Tuesday morning in Europe

**INR:** USD/INR steps back from all-time high amid broad risk-on mood. Softer oil prices, upbeat covid headlines from India, China strengthen pullback moves. Fed's Powell needs to repeat 50 bps rate hike concerns to keep USD pressured. Having initially refresh the all-time high, with an uptick to 78.02, USD/INR takes offers to renew the intraday low around 77.70 during the initial hour of the Indian trading session on Tuesday.

## 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>	141.50	147.50	<b>GBP/USD</b>	1.2385	1.2285
<b>EUR/KES</b>	120.00	124.80	<b>EUR/USD</b>	1.0480	1.0465
<b>INR/KES</b>		1.5540	<b>AUD/USD</b>	0.7055	0.6955
			<b>USD/INR</b>	77.05	77.00
			<b>Commodities</b>		
			<b>Gold</b>	1825	1808
			<b>Brent Crude</b>	113.82	109.22

## 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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