

# DAILY FOREX NEWSLETTER

Wednesday 18th May 2022

## Local Markets:

The Kenyan shilling weakened on Tuesday due to increased demand for dollars from the manufacturing sector and other general goods importers.

## Top News:

- Asia's stock markets struggled to carry recent gains into a fourth straight session on Wednesday and the U.S. dollar steadied, as nagging doubts about inflation and the drag from rate rises crept back into the global growth outlook.
- Oil prices rose more than \$1 a barrel in early Asian trade on Wednesday on hopes of demand recovery in China as the country gradually eases some of its strict COVID-19 containment measures.

## International Markets

**USD:** The dollar is keeping losses in check today but so far this week, we're seeing a bit of a breather in markets and that includes China. While there are fears of broader lockdowns, there are some positive developments with the COVID-19 situation improving in Shanghai at least.

**GBP:** GBP/USD grinds higher around weekly top after rising the most since October 2020. Monthly resistance break, firmer RSI keep buyer's hopeful. Previous support line from December 2021 lures buyers. GBP/USD bulls take a breather around 1.2500, after rising the most in 19 months the previous day. That said, the cable pair battles with the 20-DMA around the weekly top by the press time of Wednesday's Asian session, while waiting for the monthly inflation data from the UK.

**EUR:** EUR/USD is expecting an intensive buying action around 1.0550 ahead of the Eurozone HICP. The annual Euro HICP is seen stable at 7.5%. Fed's Powell has emphasized bringing price stability sooner. The EUR/USD pair is struggling to overstep the crucial resistance of 1.0550 in the Asian session. The asset is experiencing a volatility contraction after a juggernaut upside move from a low of 1.0354 recorded last week. A rebound in the positive market sentiment on Tuesday improved the demand for the risk-perceived currencies upon which the shared currency bulls enjoyed the liquidity.

**INR:** The Indian rupee was trading higher against the dollar as local equities built on yesterday's gains amid positive Wall Street cues. The rupee was last quoting at 77.50 per dollar compared with 77.57 yesterday. India's equity gauge, the BSE Sensex, rose after posting its best session in two months yesterday.

## 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>	142.50	148.90	<b>GBP/USD</b>	1.2535	1.2385
<b>EUR/KES</b>	121.00	125.80	<b>EUR/USD</b>	1.0580	1.0480
<b>INR/KES</b>		1.5540	<b>AUD/USD</b>	0.7065	0.7055
			<b>USD/INR</b>	77.10	77.05
			<b>Commodities</b>		
			<b>Gold</b>	1810	1825
			<b>Brent Crude</b>	112.42	113.82

## 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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