

DAILY FOREX NEWSLETTER

Thursday 19th May 2022

Local Markets:

The Kenya's shilling was stable on Wednesday but was expected to weaken due to demand for dollars from the energy, manufacturing sectors and listed companies preparing to pay dividends to their foreign shareholders.

Top News:

- Most Asia-Pacific markets fell sharply in Thursday trade after heavy losses on Wall Street overnight.
- Oil prices reversed course and fell over 2% on Wednesday after government data showed U.S. refiners ramped up output, easing worries of a supply crunch, and as traders took cues from a drop in equities market.

International Markets

USD: The dollar was down on Thursday morning in Asia. Safe-haven currencies pressed paused after the previous session's big gains. However, concerns are growing that tighter monetary policies from the U.S. Federal Reserve and other global Central Banks could impact economic growth.

GBP: GBP/USD is advancing towards 1.2400 as the DXY eased intraday. Inflationary figures in the UK have climbed to 9.0%. The BOE is left with no other option than to hike its interest rates sooner. The GBP/USD pair has attracted some significant bids near 1.2340 as a risk-on impulse has rebounded sharply and risk-perceived assets are gaining the limelight. The major is moving sharply higher and is expected to reach the round-level resistance of 1.2400.

EUR: EUR/USD picks up bids to reverse pullback from the weekly top. US dollar remains pressured around cautious optimism; monotonous Fed speak surrounding 50 bps. Eurozone inflation, hawkish ECB Speak keeps buyer's hopeful of witnessing July rate hike clues in ECB Meeting Accounts. US housing, manufacturing and Jobless Claims to also entertain traders moving forward. EUR/USD adds to the intraday gains by consolidating the biggest daily loss in a week around 1.0500 during early Thursday morning in Europe. The major currency pair's latest rebound could be linked to the broad US dollar weakness amid cautious optimism in the market, as well as the Euro traders' hopes of July rate hikes. Though, anxiety ahead of the European Central Bank (ECB) Monetary Policy Meeting Accounts seems to restrict the quote's upside of late.

INR: USD/INR again slips after refreshing all-time high, renews daily low of late. Bearish RSI divergence hints at further declines but "Double Top" confirmation needed to convince sellers. 50-SMA, weekly support line act as extra downside filters. USD/INR takes offers to renew intraday low around 77.65, after refreshing the all-time peak with 78.03 earlier in the day, as the US dollar struggles to keep recent gains amid cautious optimism.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	115.80	118.95			
GBP/KES	142.70	148.20	GBP/USD	1.2440	1.2535
EUR/KES	121.00	125.40	EUR/USD	1.0535	1.0580
INR/KES		1.5540	AUD/USD	0.7045	0.7065
			USD/INR	77.05	77.10
			Commodities		
			Gold	1810	1810
			Brent Crude	112.42	112.42

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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