

DAILY FOREX NEWSLETTER

Friday 20th May 2022

Local Markets:

The Kenya's shilling was little changed against the dollar on Thursday, and it was expected to weaken due to demand from various sectors including energy and manufacturing, and food importers.

Top News:

- Asian shares jumped in early trade on Friday after China cut a key lending benchmark to support a slowing economy, but a gauge of global equities remained set for its longest weekly losing streak on record amid investor worries about sluggish growth.
- Oil prices were little changed on Friday as worries about weaker economic growth offset expectations that crude demand could rebound in China as Shanghai lifts some coronavirus lockdowns.

International Markets

USD: The dollar was up on Friday morning in Asia, headed for its worst week since early February 2022 as U.S. Treasury yields retreat and fatigue after the greenback's 10%, 14-week surge.

GBP: GBP/USD remains pressured around daily low, extends pullback from fortnight high. Brexit woes, rate hike chatter keep buyer's hopeful amid mixed feelings. UK/EU keeps jostling over NIP, softer US data battle hawkish Fed concerns. UK Retail Sales for April becomes important after softer inflation, strong jobs report. GBP/USD takes offers to renew intraday low near 1.2445, paring the biggest weekly gains in five during Friday's Asian session. The cable pair cheers broad US dollar weakness the previous day, but Brexit headlines join the pre-UK Retail Sales anxiety to weigh on the quote of late.

EUR: A failed attempt to sustain above the round-level resistance of 1.0600 has weakened the euro bulls. The sustainability of the Eurozone inflation of around 7.5% has bolstered the hopes of a rate hike. Investors are focusing on Eurozone Consumer Confidence, which can marginally improve to -21.5. The EUR/USD pair has witnessed a minor fall after breaching the early Asian session's consolidation formed in a narrow range of 1.0579-1.0588 as the risk-off impulse rebounded. The asset has slipped to near 1.0550 and is expected to remain uncertain as the market participants are awaiting the release of the Eurozone Consumer Confidence on Friday.

INR: USD/INR remains mildly bid despite posting a weekly loss around record high. RBI intervention, China's covid recovery and softer US data keep seller's hopeful even as inflation, growth fears limit downside. Lack of major data/events hints at less volatile session ahead. USD/INR remains directionless around 78.50 during Friday's Asian session, trimming the first weekly gain in three around an all-time high.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	115.80	119.50			
GBP/KES	143.20	149.00	GBP/USD	1.2485	1.2440
EUR/KES	121.50	126.20	EUR/USD	1.0585	1.0535
INR/KES		1.5540	AUD/USD	0.7060	0.7045
			USD/INR	77.10	77.05
			Commodities		
			Gold	1841	1810
			Brent Crude	111.33	112.42

T-Bills Rates:

Duration	Current	Previous
91 Days	7.758%	7.683%
182 Days	8.832%	8.722%
364 Days	9.879%	9.860%

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