

DAILY FOREX NEWSLETTER

Wednesday 25th May 2022

Local Markets:

The Kenya's shilling held ground against the dollar on Tuesday but faced depreciation risk as the energy sector continued to struggle to fulfil bids for hard currency.

Top News:

- Asia stocks opened mostly in positive territory on Wednesday even as global growth concerns and weak U.S. economic data weighed on Wall Street overnight.
- Oil prices rose in early trade on Wednesday, boosted by tight supplies and the prospect of rising demand from the upcoming start of the U.S. summer driving season.

International Markets

USD: The melt-up in dollar has come unstuck recently as the odds of the Federal Reserve putting its rate hike mission on ice later this year gather pace.

GBP: GBP/USD extends the previous day's pullback from three-week high. eight-day-old rising support line probes intraday sellers. Bearish MACD signals, U-turn below 200-EMA hints at the further downside. GBP/USD takes offers to refresh intraday low around 1.2520, extending the U-turn from the 200-EMA towards breaking a one-week-old support line during Wednesday's Asian session

EUR: EUR/USD retreats towards intraday low, snaps two-day uptrend at monthly peak. US dollar tracks a pause in Treasury yields, anxiety ahead of the key data/events to pare losses at one-month bottom. Buyers cheered hawkish ECB speak previously, highlighting Lagarde's speech. FOMC Minutes, US Durable Goods Orders for April will be eyed as economic fears test Fed's hawkish drive. EUR/USD drops back to 1.0700 during the first negative day of the week, retreating from the monthly high while snapping a two-day run-up.

INR: USD/INR snaps two-day downtrend, stays inside short-term trading range below 78.00. Indian equities remain downbeat tracking global clues and firmer oil prices. Reuters poll suggests the first annual decline in Indian stocks in seven years. FOMC Minutes, US Durable Goods Orders eyed for fresh impulse. USD/INR pares the first daily gains in three around 77.55 as Indian markets open for Wednesday's trading.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	116.50	122.30			
GBP/KES	145.20	153.80	GBP/USD	1.2585	1.2595
EUR/KES	122.50	131.20	EUR/USD	1.0740	1.0720
INR/KES		1.5890	AUD/USD	0.7140	0.7120
			USD/INR	76.90	77.00
			Commodities		
			Gold	1861	1855
			Brent Crude	114.95	112.67

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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