

DAILY FOREX NEWSLETTER

Monday 30th May 2022

Local Markets:

The Kenya's shilling was little changed on Friday, but was expected to weaken due to increased dollar demand from the energy and manufacturing sectors.

Top News:

- Asian stocks tracked Wall Street higher on Monday while the dollar was pinned near five-week lows as investors wagered on an eventual slowdown in U.S. monetary tightening, albeit after sharp hikes in June and July.
- Oil prices rose to two-month highs on Monday as traders waited to see if the European Union would reach an agreement on banning Russian oil ahead of a meeting on a sixth package of sanctions against Moscow for its invasion of Ukraine.

International Markets

USD: The dollar nursed last week's losses on Monday and was headed for its first monthly drop in five months as investors have scaled back bets that rising U.S. rates will spur further gains and as fears of a global recession have receded a little.

GBP: GBP/USD is holding above 1.2650 amid an improvement in the risk appetite of investors. The US economy may have added 310k jobs in the labor market last month. The odds of a bumper rate hike by the BOE are scaling higher. The GBP/USD pair is advancing sharply higher in the Asian session as investors have underpinned the risk-on market impulse, which has diminished the safe-haven appeal. The pound bulls have pushed the asset above 1.2650. The asset is hovering around the previous week's high at 1.2667 and a decisive move beyond the same will unleash the sterling bulls to an upside of 1.2700.

EUR: EUR/USD retreats from monthly high during three-day uptrend. Aggressive Fed rate hike bets scaled back on softer US inflation, growth figures. S&P 500's best week in 1.5 years also favor buyers amid US bank holidays. German HICP, Eurogroup meeting eyed for fresh impulse. EUR/USD struggles to extend the three-day uptrend around the monthly peak, retreating of late, as traders seek fresh clues amid a quiet Asian session. That said, the major currency pair dribbles around 1.0750 as the buyer's jostle with the 50-DMA hurdle amid broad US dollar weakness, as well as anxiety ahead of the key data/events from the bloc.

INR: USD/INR remains pressured around intraday low, extends Friday's pullback. Seller's attack ascending triangle's support to retake control. RSI, MACD suggests further weakness but the key SMAs may offer an intermediate halt. USD/INR stays depressed around the intraday low of 77.52 inside a three-week-old ascending triangle. In doing so, the Indian rupee (INR) pair stretches the previous day's weakness as bears battle with the stated bearish chart pattern's support line during early Monday

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	116.80	122.50			
GBP/KES	145.80	154.80	GBP/USD	1.2690	1.2685
EUR/KES	122.70	131.70	EUR/USD	1.0795	1.0785
INR/KES		1.5890	AUD/USD	0.7240	0.7181
			USD/INR	76.95	76.90
			Commodities		
			Gold	1862	1853
			Brent Crude	120.21	117.59

T-Bills Rates:

Duration	Current	Previous
91 Days	7.744%	7.758%
182 Days	8.901%	8.832%
364 Days	9.881%	9.879%

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