

DAILY FOREX NEWSLETTER

Friday 6th May 2022

Local Markets:

The Kenya's shilling weakened on Thursday, undermined by sustained importer dollar demand from various sectors.

Top News:

- Asian shares tumbled on Friday while the U.S. dollar and Treasury yields rose in a reversal of a day earlier after investors expressed concerns that rising interest rates could hurt global economic growth.
- Oil prices climbed for a third straight session on Friday, shrugging off concerns about global economic growth as worries about tightening supplies underpinned prices ahead of an impending European Union embargo on Russian oil.

International Markets

USD: The dollar was up on Friday morning in Asia, set for a fifth winning week ahead of the latest U.S. jobs report that will likely set the stage for further aggressive monetary policy tightening.

GBP: GBP/USD down looking into the abyss on strong USD.US NFP is now the key event that could be the icing on the cake. At 1.2365, the pound is flat vs. the US dollar but remains in highly bearish territory having collapsed below vital daily support on Thursday. GBP/USD fell from a high of 1.2634 to a low of 1.2325 on a combination of stark warnings from the Bank of England, poor global economic data and the prospects of an aggressive Federal Reserve.

EUR: EUR/USD: 20-EMA rejection seems lucrative for greenback bulls, 1.0360 eyed. The EUR/USD pair has slipped lower after struggling to sustain above the ground level resistance of 1.0540. The asset witnessed a sheer downside after sensing rejection from its crucial barricade at 1.0643 on Thursday.

INR: USD/INR extends Thursday's rebound to cross weekly resistance line. USD regains upside momentum as inflation woes return to the table, raising doubts on Fed's rejection of 75 bps rate hike. RBI's surprise rate lift failed to keep INR firmer amid elevated oil prices, the market's risk-aversion. US jobs report becomes the key amid hopes of heavier-than-expected rate hikes. USD/INR grinds higher around the intraday top, keeping the bounce off a three-week low, as the US dollar cheers rush to risk-safety ahead of the key employment report on Friday. The Indian rupee (INR) pair's weakness could also be linked to the firmer oil prices and challenges for China, other than what's already there for the global economy

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	115.50	118.60			
GBP/KES	142.50	148.50	GBP/USD	1.2390	1.2580
EUR/KES	121.00	125.50	EUR/USD	1.0565	1.0640
INR/KES		1.5700	AUD/USD	0.7140	0.7260
			USD/INR	76.00	75.60
			Commodities		
			Gold	1876	1900
			Brent Crude	111.26	110.65

T-Bills Rates:

Duration	Current	Previous
91 Days	7.580%	7.497%
182 Days	8.542%	8.458%
364 Days	9.840%	9.776%

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