

DAILY FOREX NEWSLETTER

Monday 9th May 2022

Local Markets:

The Kenya's shilling weakened on Friday due to increased importer demand for hard currency, especially from oil companies, and low dollar inflows.

Top News:

- Asian markets were in retreat on Monday as U.S. stock futures slid on rate worries, and a tightening lockdown in Shanghai stoked concerns about global economic growth and possible recession.
- Oil prices slipped on Monday, along with stock markets in Asia, sparked by fears a global recession could dampen oil demand, with investors eyeing European Union talks on a Russian oil embargo that is expected to tighten global supplies.

International Markets

USD: The dollar hit a two-decade high on Monday as investors searched for safety and yield due to growing concerns over slowing global economic growth and rising interest rates.

GBP: GBP/USD fades Friday's bounce off multi-day low, renews intraday bottom of late. Sinn Fein's victory in NI election renews Brexit fears, UK's Truss threatens to suspend Brexit deal. Headlines concerning China's covid, G7 sanctions on Russia add to the risk-off mood, which in turn underpins USD demand. Risk catalysts to entertain bears ahead of Thursday's key data. GBP/USD takes offers to renew intraday low around 1.2300, fading the previous day's bounce off a two-year low during Monday's Asian session. The cable pair's latest weakness could be linked to the broad risk-off mood, as well as negative headlines concerning Brexit. Also weighing on the pair could be the anxiety ahead of this week's key UK Q1 GDP.

EUR: EUR/USD reverses Friday's corrective pullback, stays pressured towards yearly low. China's covid conditions, G7 sanctions on Russia intensify risk aversion. Fears of Fed's faster/heavier rate hikes keep US Treasury yields, USD on the front foot. Second-tier data, ECB's Lagarde may entertain traders ahead of Wednesday's US inflation data. EUR/USD bears return to the table, following Friday's failed attempt to rebound from the yearly low, as risk aversion joins the chatters surrounding monetary policy divergence between the European Central Bank and the US Federal Reserve.

INR: USD/INR takes the bids to refresh all-time high, up for third consecutive day. Oil prices, chatters of RBI intervention and growth fears amplify bearish bias over INR. News concerning China, Russia joins strong yields to also underpin USD strength. With the US dollar bulls cheering the broad risk-off mood, as well as the firmer Treasury yields, the USD/INR renews the historical top above 77.00 during Monday's Asian session. That said, the Indian rupee pair takes the bids to refresh its all-time high with a 77.43 level at the latest.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	115.50	118.60			
GBP/KES	141.00	146.60	GBP/USD	1.2310	1.2390
EUR/KES	120.80	125.50	EUR/USD	1.0540	1.0565
INR/KES		1.5650	AUD/USD	0.7035	0.7140
			USD/INR	77.00	76.00
			Commodities		
			Gold	1872	1876
			Brent Crude	112.60	111.26

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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