

DAILY FOREX NEWSLETTER

Wednesday 10th May 2023

The Kenyan shilling traded slightly weaker against the dollar on Tuesday, under pressure from energy companies seeking foreign currency.

International Markets

- Oil prices slipped in early trade on Wednesday after industry data showed a surprise build in U.S. crude stocks, while investors awaited U.S. inflation data for April that could give direction for the Federal Reserve's next rate decision.
- Asia-Pacific markets fell on Wednesday as investors look ahead to U.S. inflation figures for clues on the path ahead for inflation and by extension, the U.S. Federal Reserve's moves.

USD: Most Asian currencies moved in a flat-to-low range on Wednesday, while the dollar steadied amid caution before key U.S. inflation data due later in the day, while concerns over a sluggish economic recovery in China continued to weigh.

GBP: GBP/USD struggles to justify the previous day's bullish Doji candlestick formation. Bearish RSI divergence, nearly overbought positioning prod Cable buyers ahead of the key US CPI for April. Buyers remain hopeful unless witnessing clear break of 1.2500 support confluence. GBP/USD treads water around 1.2630-20 heading into Wednesday's London open as candlesticks and chart formations print mixed signals as US inflation data looms. In doing so, the Cable pair seesaws around the highest levels since May 2022, marked during early weekdays.

EUR: EUR/USD has faced selling pressure while extending its recovery above 1.0980 as the USD index has shown recovery. US monthly headline and core CPI figures are expected to jump by 0.4%. ECB Schnabel believes that rate cuts are unlikely for the foreseeable future. The EUR/USD pair is facing barricades in extending its recovery above the immediate resistance of 1.0980 in the early European session. The shared currency pair has sensed pressure as the US Dollar Index (DXY) has shown some recovery.

INR: USD/INR reverses from 13-day high to pare the first weekly gains in three. US Dollar snaps two-day rebound amid mixed concerns about debt ceiling expiration, banking woes. Cautious optimism, hopes of easing inflation pressure favour Indian Rupee buyers. USD/INR sellers return to the table, after a three-day absence, as the markets prepare for the US inflation data on early Wednesday. In doing so, the Indian Rupee (INR) pair reverses from the highest level since April 21 but lacks follow-through amid a cautious mood and a light calendar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	134.60	138.10			
GBP/KES	169.60	174.30	GBP/USD	1.2648	1.2645
EUR/KES	147.50	151.50	EUR/USD	1.1025	1.1045
INR/KES		1.6845	AUD/USD	0.6793	0.6845
			USD/INR	81.85	81.72
			Commodities		
			Gold	2028	2025
			Brent Crude	76.86	76.59

T-Bills Rates:

Duration	Current	Previous
91 Days	10.318%	10.275%
182 Days	10.678%	10.511%
364 Days	11.170%	11.124%

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