

DAILY FOREX NEWSLETTER

Thursday 11th May 2023

The Kenyan shilling was broadly steady against the dollar on Wednesday as the interbank market helped smooth out an underlying shortage of foreign currency.

Kenyan telecoms operator Safaricom is due to announce its full-year financial results. The company, which also operates in Ethiopia, recorded a 14% rise in its earnings before interest and taxes (EBIT) to 109.1 billion shillings in its year to the end of March 2022.

International Markets

- Asian shares rose on Thursday as investors cheered signs of easing inflationary pressure in the U.S. after data showed consumer prices in April rose at a slower-than-expected pace.
- Oil prices bounced back on Thursday after dropping by more than a dollar a barrel the previous day, supported by stronger fuel demand data from the United States, the world's top oil consumer.

USD: Most Asian currencies retreated on Thursday as softer-than-expected Chinese data raised more concerns over slowing growth in the region's largest economy, while the dollar was flat following a mixed consumer inflation reading.

GBP: GBP/USD remains indecisive as the key Bank of England (BoE) monetary policy decision looms. Quarterly BoE report will be watched closely as inflation pressures British policymakers to stay hawkish despite economic woes. Terminal Rate, growth/inflation forecasts appear critical as BoE's 0.25% rate hike seems already priced in. US PPI, risk catalysts also become important as Cable pair prods 13-month high. GBP/USD retreats from intraday high while slipping back to 1.2620 as it inks the market's cautious mood ahead of the all-important Bank of England (BoE) monetary policy meeting.

EUR: EUR/USD fades the previous day's corrective bounce off weekly low. Recently mixed EU, German data raise doubts on hawkish ECB commentary. Softer US inflation fails to underpin Fed rate cut bias with mixed details. US PPI, second-tier data eyed for clear directions on Euro moves. EUR/USD takes offers to refresh the intraday low around 1.0970 as it pares the previous day's rebound from the weekly low heading into Thursday's European session.

INR: The Indian rupee saw a muted reaction to the April U.S. inflation data, leading traders to look for new triggers to break the current narrow range.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.00	138.20			
GBP/KES	170.00	174.80	GBP/USD	1.2649	1.2648
EUR/KES	148.00	152.00	EUR/USD	1.0990	1.1025
INR/KES		1.6885	AUD/USD	0.6786	0.6793
			USD/INR	81.97	81.85
			Commodities		
			Gold	2032	2028
			Brent Crude	77.12	76.86

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2