

DAILY FOREX NEWSLETTER

Friday 12th May 2023

The Kenyan shilling dipped slightly against the dollar on Thursday, hurt by oil importers' appetite for hard currency.

International Markets

- Asia-Pacific markets are trading mixed after the U.S. posted more data that showed inflation was easing.
- Oil prices slid about 2% on Thursday as a political standoff over the U.S. debt ceiling stoked recession jitters in the world's biggest oil consumer, while rising U.S. jobless claims weighed on sentiment and a stronger dollar pressured oil too.

USD: The U.S. dollar rose against the euro and sterling on Thursday and set a more than one-week high against a basket of its major peers as traders sought safety after a series of economic data prompted a reassessment of their outlook for global monetary policy.

GBP: GBP/USD bears take a breather around weekly low after BoE-induced slump. Cautious mood ahead of the key UK Q1 GDP, US inflation clues join mixed sentiment to prod Cable buyers. BoE couldn't inspire Pound Sterling buyers despite 0.25% rate hike as Governor Bailey signalled sharp fall in British inflation. US debt ceiling talks, banking news also appear important to watch for fresh impulses. GBP/USD stays defensive near 1.2520 even as it renews intraday high ahead of the all-important UK Gross Domestic Product (GDP) data during early Friday.

EUR: EUR/USD licks its wounds at the lowest levels in a month, braces for the biggest weekly loss since late February. ECB, Fed policymakers try to show hawkish moves but challenges to sentiment favor US Dollar. US CPI, PPI have been unimpressive and highlight importance of Michigan CSI, inflation expectations for clear directions. EUR/USD retreats from an intraday high of 1.0925 but stays sluggish during early Friday in Europe as traders lick their wounds on the way to posting the biggest weekly loss in three months.

INR: USD/INR retreats from three-week high while paring the biggest weekly gain in two months. Downbeat Oil price joins market's reassessment of risk catalysts to trigger Indian Rupee bounce from multi-day low. India CPI, output data precedes US Michigan CSI and Inflation Expectation to decorate economic calendar. Comparatively more hawkish Fed, challenges to risk appetite favour USD/INR bulls. USD/INR prints mild losses around 82.10 as it consolidates the biggest weekly gains since March ahead of the key statistics from India and the US, up for publishing during Friday's European session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.00	138.30			
GBP/KES	169.00	173.60	GBP/USD	1.2556	1.2649
EUR/KES	147.20	151.55	EUR/USD	1.0949	1.0990
INR/KES		1.6885	AUD/USD	0.6745	0.6786
			USD/INR	81.82	81.97
			Commodities		
			Gold	2010	2032
			Brent Crude	74.62	77.12

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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