

DAILY FOREX NEWSLETTER

Wednesday 17th May 2023

The Kenya's shilling lost ground on Tuesday due to increased demand for dollars from manufacturing and oil retailing companies.

International Markets

- Asia-Pacific markets are trading mixed as investors digested economic data from Japan and Australia. Quad leaders also canceled a planned meeting in Sydney next week as U.S. President Joe Biden cut his Asia trip short to return to the U.S. for talks on the debt ceiling.
- European markets are heading for a lower open on Wednesday as investors keep an eye on debt ceiling negotiations stateside.

USD: The dollar edged higher on Tuesday in choppy trading, with no clear direction, as investors kept an eye on debt ceiling talks to avert a possible default that could reverberate across asset markets and damage confidence in the world's largest economy.

GBP: GBP/USD stays pressured after retreating from weekly top. Unimpressive UK employment figures contrast with positive surprise from US data to prod Pound Sterling buyers. BoE, Fed officials cite inflation, employment numbers to defend hawkish plays. Easing fears of US default joins hopes of witnessing upbeat comments from BoE Governor Bailey to challenge Cable bears. GBP/USD remains depressed around 1.2485 amid early Wednesday, after reversing from a weekly high the previous day.

EUR: EUR/USD has faced selling interest after a short-lived pullback to near 1.0873. A mild expansion in US Retail Sales is insufficient to impact expectations for a steady monetary policy by the Federal Reserve. The street is anticipating more than one interest rate hike from European Central Bank. EUR/USD has dropped below the 38.2% Fibonacci retracement at 1.0876. EUR/USD has sensed selling pressure around 1.0873 after a less-confident recovery move as the US Dollar Index (DXY) is preparing for coming out of the woods and climbing above the immediate resistance of 102.70.

INR: USD/INR struggles for clear directions after snapping three-day uptrend the previous day. One-month-old horizontal region, ascending trend line from May 07 limit immediate moves of Indian Rupee pair. Upbeat RSI (14) suggests continuation of northward grind; 200-SMA acts as the last defense of USD/INR bulls. USD/INR trends water around 82.30 as it jostles with the one-month-old horizontal resistance area during early Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.50	139.00			
GBP/KES	169.00	173.60	GBP/USD	1.2515	1.2545
EUR/KES	147.20	151.20	EUR/USD	1.0895	1.0920
INR/KES		1.6975	AUD/USD	0.6787	0.6725
			USD/INR	81.87	81.92
			Commodities		
			Gold	1989	2010
			Brent Crude	74.88	74.62

T-Bills Rates:

Duration	Current	Previous
91 Days	10.410%	10.318%
182 Days	10.853%	10.678%
364 Days	11.270%	11.170%

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