

DAILY FOREX NEWSLETTER

Friday 19th May 2023

The Kenya's shilling lost ground on Thursday due to increased demand for dollars across the board from various sectors of the economy.

International Markets

- Oil prices slid about 2% on Thursday after solid U.S. economic data spurred the dollar to a two-month high on growing expectations the U.S. Federal Reserve could raise interest rates again in June.
- Asia-Pacific markets rose on hopes of U.S. President Joe Biden and congressional leaders inching closer to a deal to raise the U.S. debt ceiling and avoid a default.

USD: Most Asian currencies moved in a flat-to-low range on Friday, coming under pressure from a stronger dollar following several hawkish cues from Federal Reserve officials this week, with focus now turning to an upcoming address by Chair Jerome Powell.

GBP: GBP/USD looks vulnerable above the immediate support of 1.2390 as the USD index is eyeing more upside. Fed's Powell is expected to deliver interest rate guidance for June's monetary policy meeting. GBP/USD has delivered a breakdown of the Head and Shoulder chart pattern. The GBP/USD pair has displayed exhaustion in the downside momentum after slipping below the round-level support of 1.2400. The Cable is making efforts for a recovery; however, the solid US Dollar's appeal is in traction.

EUR: EUR/USD has shown some recovery from 1.0760 as the USD Index is struggling in extending its recovery. The street is anticipating that the Federal Reserve will pause the policy-tightening process as US inflation is consistently softening. European Central Bank President Christine Lagarde has already confirmed more than one interest rate hike is appropriate. EUR/USD is declining towards the 61.8% Fibonacci retracement at 1.0738. EUR/USD has witnessed some buying interest after printing a fresh intraday low at 1.0760 in the Asian session.

INR: USD/INR clings to mild gains around the highest levels in two months, retreats of late. Broad US Dollar strength weighs on Indian Rupee despite latest pullback in greenback. Upbeat Oil price, cautious mood also prods USD/INR bulls at multi-day peak. Fed Chair Powell's speech, US President Biden's announcements on debt ceiling extension eyed for clear directions. USD/INR seesaws around 82.75-80 as it prints minor gains amid early Friday in Europe, after refreshing an eight-week high to 82.85 the previous day.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.70	139.30			
GBP/KES	168.40	173.00	GBP/USD	1.2450	1.2505
EUR/KES	146.20	150.10	EUR/USD	1.0796	1.0885
INR/KES		1.6975	AUD/USD	0.6667	0.6686
			USD/INR	82.00	81.97
			Commodities		
			Gold	1962	1978
			Brent Crude	76.53	76.75

T-Bills Rates:

Duration	Current	Previous
91 Days	10.518%	10.410%
182 Days	10.978%	10.853%
364 Days	11.390%	11.270%

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