

# DAILY FOREX NEWSLETTER

Monday 22nd May 2023

The Kenya's shilling weakened on Friday, as oil retailers and other general goods importers exerted dollar pressure.

## International Markets

- Asian stocks and Wall Street futures struggled on Monday as U.S. debt ceiling negotiations approached crunch time after stalling last week, while lingering banking fears and fresh geopolitical worries also capped sentiment.
- Oil prices slipped on Monday as caution around the U.S. debt ceiling talks and concerns about demand recovery in China offset support from lower supplies from Canada and OPEC+ producers.

**USD:** Most Asian currencies struggled for direction on Monday as markets awaited more cues on raising the U.S. debt ceiling, while the dollar retreated as Federal Reserve Chair Jerome Powell presented a less hawkish outlook than expected.

**GBP:** GBP/USD is making efforts for delivering extending upside as the USD Index loses strength. Federal Reserve Powell cited that tight credit conditions by the US banks are providing room to hold interest rates steady. Bank of England has already conveyed that they underestimated the strength and persistence in inflation. GBP/USD delivered a perpendicular fall after a breakdown of the upward-sloping trendline plotted from 1.2275. GBP/USD is oscillating above 1.2450 after a recovery move and is looking to extend its rally further as the Federal Reserve (Fed) is considering a pause in the policy-tightening spell amid tight credit conditions by the United States regional banks.

**EUR:** EUR/USD grinds higher around intraday top, extends the previous day's rebound from two-month low. Clear upside break of 100-DMA, RSI rebound from nearly oversold territory underpin bullish bias for Euro. 12-day-old bearish channel prods Euro bulls before giving them control; 1.0720-15 is the key challenge for bears. EUR/USD bulls keep the reins around the intraday high surrounding 1.0825-30 as buyers cheer the upside break of the 100-DMA during Monday's Asian session.

**INR:** The Indian rupee declined, and forward premiums dropped after the country's Central Bank said it will withdraw the highest denomination note from circulation.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.70	139.30			
GBP/KES	167.00	173.60	GBP/USD	1.2487	1.2450
EUR/KES	146.80	150.90	EUR/USD	1.0845	1.0796
INR/KES		1.6975	AUD/USD	0.6683	0.6667
			USD/INR	82.14	82.00
			Commodities		
			Gold	1973	1962
			Brent Crude	74.99	76.53

## 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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