

DAILY FOREX NEWSLETTER

Tuesday 23rd May 2023

The Kenya's shilling weakened on Monday, as demand for dollars from oil retailers persisted.

International Markets

- Asia-Pacific markets were mixed on Tuesday as talks between U.S President Joe Biden and House Speaker Kevin McCarthy ended without a deal.
- Oil prices continued to climb on Tuesday with investors expecting a tighter market led by a seasonal rise in gasoline demand and supply cuts from OPEC+ producers, though concerns over the risk of a U.S. debt default capped gains.

USD: The dollar rose against the Japanese yen on Monday, holding just below a six-month high, as investors waited on fresh data to signal whether the U.S. Federal Reserve is likely to continue hiking interest rates, while watching for news of a congressional deal to raise the U.S. debt ceiling.

GBP: GBP/USD struggles to defend the bounce off short-term moving average ahead of US, UK PMI numbers for May. Bearish MACD signals, steady RSI suggests further downside toward February's high. Ascending support line from October 2022 appears a tough nut to crack for Pound Sterling bears. Cable buyers need validation from seven-week-old previous support line. GBP/USD aptly portrays the pre-data anxiety as it dribbles around 1.2430 during early Tuesday morning in London.

EUR: EUR/USD is oscillating above 1.0800 as investors are confused over further action after Monday's US debt-ceiling meet ended without agreement. Federal Reserve policymakers delivered mixed responses on interest rate guidance as June's monetary policy is approaching faster. European Central Bank has already warned that more than one interest rate hike is appropriate to bring down sticky inflation. EUR/USD is making efforts for shifting comfortably above the 50% Fibonacci retracement at 1.0806. EUR/USD is continuously auctioning in a narrow range above the round-level support of 1.0800 in the Asian session.

INR: USD/INR is oscillating in a narrow range above 82.80 as investors are confused due to a further delay in US debt-ceiling issues. The USD Index is approaching the 103.50 resistance as Fed policymakers are confident of more rate hikes this year. The Indian economy is going through the buzz of a ban on Rs. 2000 notes by the Reserve Bank of India. The USD/INR pair is displaying a back-and-forth action above 82.80 in the Asian session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	135.70	139.60			
GBP/KES	169.10	173.80	GBP/USD	1.2475	1.2487
EUR/KES	147.10	151.10	EUR/USD	1.0849	1.0845
INR/KES		1.7080	AUD/USD	0.6688	0.6683
			USD/INR	82.24	82.14
			Commodities		
			Gold	1961	1973
			Brent Crude	76.15	74.99

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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