

# DAILY FOREX NEWSLETTER

Wednesday 24th May 2023

The Kenya's shilling weakened to a fresh low on Tuesday, as importer demand for dollars continued to weigh on the currency.

## International Markets

- Asian stocks on Wednesday extended a global sell-off as U.S. debt ceiling negotiations dragged on without resolution, while the New Zealand dollar tumbled after the Central Bank caught markets off-guard by flagging that its tightening cycle is over.
- Oil prices gained over \$1 on Wednesday after U.S. inventories and fuel supplies tightened and as a warning from the Saudi energy minister to speculators raised the prospect of further OPEC+ output cuts.

**USD:** Most Asian currencies moved little on Wednesday, while the dollar steadied from recent gains as markets awaited fresh cues on monetary policy from the minutes of the Federal Reserve's May meeting.

**GBP:** GBP/USD picks up bids to pare weekly losses, bounce off one-month low to snap two-day downtrend. Deadlock in US debt ceiling talks, market's consolidation ahead of top-tier data/events allow Cable pair to rebound. UK Consumer Price Index for April might help BoE's Bailey to defend hawkish bias and favour Pound Sterling buyers. GBP/USD prints the first daily run-up in three as it clings to mild gains near 1.2420 ahead of the key UK inflation data and a speech from Bank of England (BoE) Governor Andrew Bailey, scheduled for Wednesday.

**EUR:** EUR/USD picks up bids to consolidate recent losses, forms bullish chart pattern. Convergence of 50-HMA, 100-HMA and fortnight-long resistance line appears a tough nut to crack for Euro buyers. Sellers can aim for late March swing lows on 1.0760 breakdown. ECB's Lagarde, Fed Minutes eyed for clear directions. EUR/USD glides on a dicey floor with mild gains around 1.0775 as it waits for the key catalysts on early Wednesday in Europe.

**INR:** USD/INR takes offers to refresh intraday low, reverses from five-week high. Failure to cross five-month-old resistance line joins overbought RSI to lure Indian Rupee buyers. Descending trend line from October 2022, bullish MACD signals prod bears. USD/INR renews intraday bottom around 82.80 while extending pullback from a five-week high during early Wednesday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	135.70	139.70			
<b>GBP/KES</b>	169.30	173.90	<b>GBP/USD</b>	1.2474	1.2475
<b>EUR/KES</b>	146.80	150.90	<b>EUR/USD</b>	1.0792	1.0849
<b>INR/KES</b>		1.7080	<b>AUD/USD</b>	0.6697	0.6688
			<b>USD/INR</b>	82.17	82.24
			<b>Commodities</b>		
			<b>Gold</b>	1978	1961
			<b>Brent Crude</b>	77.69	76.15

## 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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