

# DAILY FOREX NEWSLETTER

Thursday 25th May 2023

The Kenya's shilling weakened on Wednesday, as demand for the safe-haven dollar from oil importers and manufacturing industry weighed on the currency.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	136.20	139.80			
GBP/KES	169.50	174.20	GBP/USD	1.2384	1.2474
EUR/KES	146.30	150.40	EUR/USD	1.0749	1.0792
INR/KES		1.7050	AUD/USD	0.6548	0.6697
			USD/INR	82.24	82.17
			Commodities		
			Gold	1957	1978
			Brent Crude	78.35	77.69

## T-Bills Rates:

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

## International Markets

- Hong Kong's Hang Seng index led losses in Asia as it fell more than 2% and breached its two-month low, falling below the 19,000 mark for the first time since March 20
- Oil prices fell in early Asian trading on Thursday after uncertainty that the United States will avoid a debt default weighed against the prospect of further OPEC+ production cuts.

**USD:** The dollar pushed to a two-month high against the euro and a six-month peak versus the yen on Thursday, as a resilient U.S. economy led traders to pare their bets on rate cuts this year.

**GBP:** GBP/USD seesaws at the lowest levels since mid-April, sidelined of late. UK inflation, BoE's Bailey could defend Pound Sterling buyers for short-term before risk aversion fueled US Dollar. No deal on how to avoid US default with nearness to US debt ceiling expiry, long weekend favor Cable sellers. Second-tier US data can offer intermediate moves, risk catalysts are the key. GBP/USD licks its wounds at the 1.5-month low as it makes rounds to 1.2350 during early Thursday, after recently refreshing the multi-day bottom.

**EUR:** EUR/USD has refreshed its four-week low at 1.0740 as the USD Index has shown significant strength amid a cautious market mood. Federal Reserve policymakers advocated that the interest rate hike in May's meeting should be followed by a pause due to banking turmoil. Higher interest rates by the European Central Bank in Eurozone are having catastrophic effects on its economic prospects. EUR/USD has kissed the 61.8% Fibonacci retracement at 1.0738. EUR/USD has printed a fresh four-week low at 1.0740 in the Asian session. The major currency pair has faced immense selling pressure as the market mood has remained cautious.

**INR:** USD/INR picks up bids to pare the previous day's heavy losses, bounces off important support confluence. Convergence of 50-SMA, 13-day-old rising trend line puts a floor under Indian Rupee pair's price. 21-SMA, one-week-long horizontal resistance zone challenge buyers amid bearish MACD signals. USD/INR renews its intraday high near 82.75 as it extends late Wednesday's rebound from a short-term key support confluence to early Thursday in Europe

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