

DAILY FOREX NEWSLETTER

Monday 29th May 2023

The Kenyan shilling slipped on Friday, weighed down by sustained importer dollar demand ahead of an interest rate decision next week.

International Markets

- Asia-Pacific markets were mixed after U.S. President Joe Biden and congressional leaders reached a tentative deal to raise the debt ceiling over the weekend. The bill is expected to be voted on later this week.
- Oil prices ticked up on Friday as U.S. officials appeared close to striking a debt ceiling deal, and as the market weighed conflicting messages on supply from Russia and Saudi Arabia ahead of the next OPEC+ policy meeting.

USD: Most Asian currencies kept to a tight range on Monday, while the dollar steadied at a two-month high as signs of sticky inflation and rising U.S. interest rates largely offset optimism over a U.S. debt ceiling deal.

GBP: GBP/USD has recovered amid a sell-off in the USD index after approval of a raise in the US debt-ceiling. The US Dollar Index has critically come under pressure as the approval of a higher US debt-ceiling has faded fears of a spike in interest rates. BoE Bailey is bound to halve inflation by year-end as promised by UK PM Rishi Sunak. The GBP/USD pair has attempted a recovery move after trading sideways below 1.2350 in the Asian session.

EUR: EUR/USD prints the first daily gain in five around the lowest levels in 10 weeks. US Dollar retreats as policymakers deliver debt ceiling agreement, challenges to passage prod the Euro buyers. Hawkish Fed bets versus fears of Eurozone recession also exert downside pressure on EUR/USD. Holidays in Germany, US to restrict Euro moves ahead of Eurozone inflation, US NFP. EUR/USD picks up bids to print the first daily gain in five around 1.0730 amid early Monday morning in Europe.

INR: The rupee's gains for the year have been wiped out due to an acute dollar shortage, caused by uncertainties surrounding the US debt ceiling and concerns over further rate increases. The cash-tom rate was at 0.1 points, indicating the dollar shortage and a global dollar shortage is expected due to the US debt.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	136.30	139.85			
GBP/KES	168.40	173.00	GBP/USD	1.2395	1.2382
EUR/KES	146.30	150.30	EUR/USD	1.0787	1.0781
INR/KES		1.7020	AUD/USD	0.6587	0.6541
			USD/INR	82.04	82.24
			Commodities		
			Gold	1945	1950
			Brent Crude	76.11	78.35

T-Bills Rates:

Duration	Current	Previous
91 Days	10.832%	10.518%
182 Days	11.113%	10.978%
364 Days	11.457%	11.390%

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