

# DAILY FOREX NEWSLETTER

May 2nd May 2023

The Kenya's shilling held its ground against the dollar on Friday, as traders were cautious before the introduction of oil import deals that should ease persistent FX demand from fuel marketers.

Kenya's inflation KECPI=ECI dropped to 7.9% year-on-year in April from 9.2% a month earlier, helped by some food items dropping in price, data from the statistics office showed on Friday.

## International Markets

- Oil prices fell on Monday as jitters over the prospect of the U.S. Federal Reserve raising interest rates, which could slow growth and hit fuel demand, and worries about weaker Chinese manufacturing data combined to erase earlier gains.

**USD:** The dollar rose to an almost two-week high against a basket of currencies on Monday before the Federal Reserve is expected to hike interest rates by an additional 25 basis points and after data showed that U.S. manufacturing pulled off a three-year low in April.

**GBP:** GBP/USD is oscillating in a narrow range below 1.2500 ahead of Fed policy and US private Employment data.S&P500 futures have added more losses in early Asia as anxiety among investors is deepening ahead of Fed policy. Higher chances of a 12<sup>th</sup> straight interest rate hike from the BoE have trimmed UK inflation expectations. The GBP/USD pair is showing back-and-forth action in a narrow range below the psychological resistance of 1.2500 in the early Asian session

**EUR:** EUR/USD picks up bids to print mild gains while snapping three-day downtrend.US debt ceiling expiration talks, relief from First Republic Bank woes join downbeat yields to weigh on US Dollar. Euro cheers hawkish ECB talks despite mixed growth numbers as Eurozone HICP, CPI looms.US Factory Orders, risk catalysts are also important for clear directions ahead of Fed, ECB monetary policy decisions. EUR/USD cheers US Dollar's retreat to snap a three-day downtrend near 1.0990 during early Tuesday morning in Europe.

**INR:**USD/INR remains pressured around intraday low, marks inactive daily performance. IMF says India, China to lead Asia-Pacific growth in its latest report. Fears of US default, return of full markets weigh on US Dollar and favour Indian Rupee buyers.US Factory Orders can entertain intraday traders ahead of Fed, NFP.USD/INR treads water around 81.75, recently depressed, as market players seek more clues to cheer the International Monetary Fund's (IMF) upbeat economic analysis for India and China during early Tuesday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	134.60	137.30			
GBP/KES	167.00	171.70	GBP/USD	1.2545	1.2515
EUR/KES	147.40	151.50	EUR/USD	1.1025	1.1047
INR/KES		1.6845	AUD/USD	0.6745	0.6645
			USD/INR	81.45	81.65
			Commodities		
			Gold	1983	1987
			Brent Crude	79.33	78.90

## T-Bills Rates:

Duration	Current	Previous
91 Days	10.275%	10.159%
182 Days	10.511%	10.477%
364 Days	11.124%	11.059%

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