

DAILY FOREX NEWSLETTER

Tuesday 30th May 2023

The Kenyan shilling held steady on Monday, but it is expected to weaken, undermined by increased demand for dollars from fuel retailers and manufacturing companies.

International Markets

- Oil prices rose on Tuesday as the expectations the debt ceiling deal in U.S., the world's biggest oil user, will spur more demand but fears of further interest rate rises and that OPEC+ will leave output quotas unchanged capped gains.
- Asia-Pacific markets are mixed on Tuesday with a vote looming ahead on the tentative U.S. debt ceiling deal reached between President Joe Biden and House Majority Leader Kevin McCarthy over the weekend, avoiding a default for the U.S. economy.

USD: The U.S. dollar fell on Tuesday against a basket of major currencies but did not drift far from a two-month peak, after a deal over the U.S. debt ceiling lifted risk sentiment, although the agreement could face a rocky path through Congress.

GBP: GBP/USD renews intraday high during three-day rebound from monthly low. UK shop price inflation jumps to record high, per BRC. Optimism surrounding US debt ceiling deal prod US Dollar bulls ahead of mid-tier US data. Risk catalysts are the key for clear directions amid full markets' return after Monday's holidays in major economies. GBP/USD prints a three-day uptrend as bulls approach the 1.2400 resistance confluence during very early Tuesday morning in Europe, refreshing intraday high to around 1.2370 by the press time.

EUR: EUR/USD prods 10-week low as bears keep reins for sixth consecutive day despite latest zigzag. Market sentiment dwindles as optimism surrounding US debt ceiling deal fades amid policymakers' discomfort with compromises. Hawkish ECB talks fail to inspire Euro buyers amid fears of German recession, comparatively more optimistic Fed speak. Eurozone, US consumer sentiment data, headlines about US debt ceiling deal will join ECB officials' speeches to direct intraday moves. EUR/USD remains depressed at 10-week low surrounding the 1.0700 threshold heading into Tuesday's European session.

INR: USD/INR picks up bids to extend the previous day's rebound inside bullish chart formation. 50-SMA adds strength to 82.75 hurdle for Indian Rupee bears. April's peak, 200-SMA restrict short-term downside of USD/INR pair. US Dollar grinds higher amid default jitters, full markets' reaction to US debt ceiling deal. USD/INR remains on the front foot around 82.67 amid the initial hour of the Indian trading session on Tuesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	136.50	140.00			
GBP/KES	168.40	173.00	GBP/USD	1.2383	1.2395
EUR/KES	146.00	150.00	EUR/USD	1.0745	1.0787
INR/KES		1.7030	AUD/USD	0.6548	0.6587
			USD/INR	82.14	82.04
			Commodities		
			Gold	1936	1945
			Brent Crude	76.55	76.11

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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