

# DAILY FOREX NEWSLETTER

May 5th May 2023

The Kenya's shilling weakened on Thursday to a new all-time low due to increased general importer demand for dollars, with oil marketing companies standing out.

## International Markets

- Asia-Pacific markets were mixed as banking fears were reignited on Wall Street, sending the three major U.S. indexes into a four day losing streak. Regional bank shares sold off, with the SPDR S&P Regional Bank ETF (KRE) dropping more than 5% and some banks seeing volatile trading.
- Oil prices rose slightly in Asian morning trade on Friday but were set for a third straight week of losses after markets witnessed dramatic drops on fears of a weakening U.S. economy and slowing Chinese demand.

**USD:** The U.S. dollar retreated in early European trade Thursday, continuing the previous session's selloff after the Federal Reserve signaled a pause to its year-long tightening cycle after its latest interest rate hike.

**GBP:** GBP/USD picks up bids to cross short-term key resistance line during three-day uptrend. Sustained trading beyond 21-DMA, upbeat RSI (14) keeps Cable buyers hopeful. Pound Sterling bears need to crack 1.2320 support confluence to retake control. GBP/USD bulls keep the reins at the highest levels in 11 months as they poke a one-month-old resistance line near 1.2600 on early Friday. In doing so, the Cable pair rises for the third consecutive day despite sticking to mild gains amid the cautious mood ahead of the US Nonfarm Payrolls (NFP) data for April.

**EUR:** EUR/USD has stretched its recovery above 1.1040 as the USD Index has resumed its downside journey. For a declining USD Index, US NFP seems to be the last hope. The ECB hiked interest rates by 25 bps but confirmed that more than one additional rate hikes are in the pipeline. The EUR/USD pair has recovered firmly above 1.1040 in the Asian session as the US Dollar index (DXY) has resumed its downside journey. The major currency pair is trying to revive Thursday's sell-off inspired by a smaller interest rate hike from the European Central Bank (ECB).

**INR:** India's currency and debt markets will be closed on Friday, May 5, for a local holiday. The markets will resume trading on Monday, May 8. The Indian rupee INR=IN ended largely flat at 81.80 per U.S. dollar on Thursday, as likely dollar purchases by the central bank offset foreign inflows into the domestic equity market.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	134.60	137.35			
GBP/KES	168.60	173.35	GBP/USD	1.2649	1.2645
EUR/KES	147.70	152.00	EUR/USD	1.1184	1.1125
INR/KES		1.6845	AUD/USD	0.6768	0.6755
			USD/INR	81.46	81.45
			Commodities		
			Gold	2047	2044
			Brent Crude	73.18	72.91

## T-Bills Rates:

Duration	Current	Previous
91 Days	10.318%	10.275%
182 Days	10.678%	10.511%
364 Days	11.170%	11.124%

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