

DAILY FOREX NEWSLETTER

Tuesday 9th May 2023

The Kenyan shilling eased against the dollar in a thin market on Monday, as manufacturers sought foreign currency amid meagre dollar inflows.

International Markets

- An index of Asian stocks eased back from more than two-week highs on Tuesday as traders squared positions heading into a key U.S. inflation report, although mainland Chinese shares and Japanese equities bucked the trend.
- Oil prices fell on Tuesday, relinquishing some of the strong gains in the previous two sessions while the market remained cautious ahead of U.S. inflation figures for April, which will be key to the Federal Reserve's next interest rate decision.

USD: The dollar remained relatively weaker against most of its major peers on Monday, as traders wait for the Federal Reserve to acknowledge an end to its hiking cycle while trying to hedge the risk of potential recession.

GBP: GBP/USD is building a base for a recovery move after correction to near 1.2600. The risk profile is cautionary ahead of US debt ceiling negotiations between the White House and top Republican leaders. As the Fed is expected to hit a pause ahead, an interest rate hike by the BoE will trim the Fed-BoE policy divergence. The GBP/USD pair is building a cushion near the round-level support of 1.2600 in the Asian session after a steep correction.

EUR: EUR/USD has tested waters below 1.1000 as the USD Index is eyeing more upside. The Eurozone economy is swiftly approaching recession as retail demand is consistently declining. EUR/USD is showing signs of a significant loss in the upside momentum after refreshing its annual high at 1.1096. The EUR/USD pair has checked territory below the psychological support of 1.1000 in the Tokyo session.

INR: The Indian rupee fell on Tuesday likely on the back of dollar outflows by a large foreign bank and pressured by the rise in U.S. yields.

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	1.2645	1.2691
EUR/KES	147.70	152.00	EUR/USD	1.1045	1.1083
INR/KES		1.6845	AUD/USD	0.6845	0.6797
			USD/INR	81.72	81.42
			Commodities		
			Gold	2025	2022
			Brent Crude	76.59	75.69

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2