

DAILY FOREX NEWSLETTER

Thursday 16th June 2022

Local Markets:

The Kenya's shilling eased on Wednesday to touch a fresh all-time low, hit mostly by demand for dollars from fuel suppliers.

Top News:

- Asian stocks rose on Thursday, while longer-dated U.S. government bond yields fell, and the dollar was down from two-decade highs after the U.S. Federal Reserve delivered an aggressive rate hike and cut its growth projections.
- Oil prices recovered on Thursday from a steep drop in the previous session, supported by tight oil supply and peak summer consumption, after a U.S. rate hike sparked fears of slower economic growth and less fuel demand.

International Markets

USD: The dollar slipped against a basket of currencies on Wednesday, after the Federal Reserve raised interest rates by 75 basis points in a historic move to fight inflation and projected a slowing economy and rising unemployment in the months to come.

GBP: GBP/USD fades post-Fed rebound amid Brexit woes, pre-BOE anxiety. EU's legal action over UK's Brexit move rejuvenates the old and slow play. Fed's 75 bp move pushes BOE to announce something more than 0.25% rate hike. Second-tier US data, risk catalysts eyed for extra directions. GBP/USD remains mildly offered around 1.2160, despite the latest bounce off intraday lows, as the cable traders brace for the Bank of England's (BOE) monetary policy meeting during early Thursday. The cable pair's latest losses could also be linked to the US dollar rebound and sluggish Treasury yields, not to forget Brexit woes.

EUR: EUR/USD is oscillating below 1.0450 as investors await Eurozone HICP. The eurozone inflation is expected to remain unchanged at 8.1% on an annual basis. Last week's upbeat US inflation compelled the Fed to dictate a 75-bps rate hike. The EUR/USD pair is experiencing barricades around 1.0450 as the US dollar index (DXY) has turned sideways after a pullback move from 104.66. The shared currency bulls witnessed a responsive buying action after hitting a low of 1.0370 on Wednesday

INR: USD/INR is expected to remain weaker on positive market sentiment. A 75-bps rate hike by the Fed has activated the 'Buy on Rumor and Sell on News' indicator for the DXY. Weak oil prices are expected to benefit the Indian rupee. The USD/INR pair is displaying a subdued performance at the open amid an overnight rate hike by the Federal Reserve (Fed). The Fed elevated its interest rates by 75 basis points (bps), which cheered the market mood and sent the US dollar index (DXY) into a negative trajectory

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	117.00	122.50			
GBP/KES	140.10	150.00	GBP/USD	1.2188	1.2050
EUR/KES	120.60	129.00	EUR/USD	1.0482	1.0460
INR/KES		1.5910	AUD/USD	0.7060	0.6950
			USD/INR	77.35	77.45
			Commodities		
			Gold	1830	1813
			Brent Crude	118.98	121.20

T-Bills Rates:

Duration	Current	Previous
91 Days	7.866%	7.811%
182 Days	9.037%	8.974%
364 Days	9.952%	9.935%

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