

DAILY FOREX NEWSLETTER

Monday 20th June 2022

Local Markets:

The Kenyan shilling held steady on Friday, but traders said it was expected to ease on the back of demand for dollars from the energy sector.

Top News:

- Asian shares were unable to sustain a rare rally on Monday as Wall Street futures shed early gains amid worries the U.S. Federal Reserve would this week underline its commitment to fighting inflation with whatever rate hikes were needed
- Oil prices edged down on Monday, reversing earlier gains, as concerns about slowing global economic growth and fuel demand offset worries about tightening supplies.

International Markets

USD: The dollar was down on Monday morning in Asia as the economic outlook remained uncertain. Major Central Banks tightened monetary policies last week with interest rate hikes. The U.S. Federal Reserve decided to raise interest rates by 75 basis points last Wednesday, the biggest since 1994, despite rising risks of a recession.

GBP: GBP/USD is consolidating gains above 1.2200, having stalled its rebound near 1.2250. The US dollar weakness offers support to the pair amid better risk sentiment. All eyes remain on UK inflation amid an inevitable recession. GBP/USD remains pressured around short-term key technical supports. Steady RSI suggests further grinding towards the south. Nearby resistance line, 200-HMA challenge buyers before May's high. GBP/USD bears flirt with 1.2230 as multiple support catalysts challenge further downside during Monday's Asian session.

EUR: EUR/USD is holding higher ground above 1.0500, helped by notable US dollar supply in early Europe. The risk tone recovers despite the growing recession and fragmentation fears. The euro erased early losses led by the French election outcome. Lagarde's testimony eyed amid light trading

INR: USD/INR struggles to benefit from softer USD, downbeat oil prices. Fears of inflation join RBI rate-hike concerns and recession woes to weigh on INR. Fed Chair Powell's Testimony will be the week's key event. USD/INR remains pressured around the intraday low of 77.90 as US dollar bulls take a breather amid the Juneteenth holiday on Monday. Also keeping the Indian rupee (INR) pair seller's hopeful is the recently softer oil prices and hopes of the RRI's rate hike

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	117.00	123.10			
GBP/KES	142.10	151.70	GBP/USD	1.2280	1.2345
EUR/KES	122.20	130.70	EUR/USD	1.0560	1.0560
INR/KES		1.5980	AUD/USD	0.6985	0.7040
			USD/INR	77.20	77.25
			Commodities		
			Gold	1842	1845
			Brent Crude	113.13	119.20

T-Bills Rates:

Duration	Current	Previous
91 Days	7.925%	7.866%
182 Days	9.096%	9.037%
364 Days	9.961%	9.952%

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