

DAILY FOREX NEWSLETTER

Wednesday 22nd June 2022

Local Markets:

The Kenya's shilling weakened slightly to hit a new record low on Tuesday, as a paucity of foreign currency inflows met robust demand from importers.

Top News:

- Asian stocks slipped in volatile trade on Wednesday, failing to extend Wall Street's rally as persistent worries about interest rates and inflation remained a key focus for investors, while the Japanese yen hit a fresh 24-year low against the dollar.
- Oil prices skidded in early trade on Wednesday amid a push by U.S. President Joe Biden to bring down soaring fuel costs, including pressure on major U.S. firms to help ease the pain for drivers during the country's peak summer demand.

International Markets

USD: The dollar was up on Wednesday morning in Asia, investors now await cues on monetary policies from the U.S. Federal Reserve Chair's testimonies to the Congress.

GBP: GBP/USD snaps two-day uptrend, flirts with intraday low at the latest. Brexit pessimism joins UK's political chaos to portray downbeat conditions at home. BOE's failure to impress bulls highlights UK CPI amid hopes of faster/heavier rate hikes. Powell needs to justify the biggest rate increase since 1994 and signal Fed's aggression to please USD bulls. GBP/USD fails to stay on the bull's radar as it retreats to 1.2250 during the mid-Asian session on Wednesday. The cable pair's latest weakness could be linked to the market's risk-off mood, as well as anxiety ahead of the key UK Consumer Price Index (CPI) and Fed Chair Jerome Powell's Testimony. Also drowning the quote is the pessimism surrounding Brexit and the UK's political conditions, not to for fears of disappointment from the Bank of England (BOE).

EUR: EUR/USD takes offers to refresh intraday low after breaking weekly triangle the previous day. Impending bear cross on the MACD, sustained pullback from the 200-SMA keep sellers hopeful. Bulls need validation from 1.0645 to retake control, weekly support line probes immediate declines. EUR/USD renews intraday low as bears attack 1.0500 threshold on their return after a two-day absence. That said, the major currency pair justifies the previous day's downside break of a symmetrical triangle during Wednesday's Asian session.

INR: USD/INR retreats from record top as Indian rupee bulls brace for central banks' aggression. RBI is up for publishing June Meeting Minutes, chatters over 75-100 bps rate hike amplify. Fed's Powell has a tough task to defend the biggest rate hike since 1994. USD/INR takes a U-turn from the all-time high surrounding 78.40, remains pressured at 78.15 during the initial hour of the Indian trading session on Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	117.10	123.20			
GBP/KES	142.10	151.10	GBP/USD	1.2266	1.2310
EUR/KES	122.20	130.00	EUR/USD	1.0565	1.0565
INR/KES		1.5980	AUD/USD	0.6965	0.6990
			USD/INR	77.55	77.30
			Commodities		
			Gold	1826	1837
			Brent Crude	111.10	115.50

T-Bills Rates:

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

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

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