

# DAILY FOREX NEWSLETTER

Thursday 23rd June 2022

## Local Markets:

The Kenya's shilling weakened slightly on Wednesday, as foreign currency inflows remained insufficient to fulfil demand from importers such as the fuel sector.

## Top News:

- Asian shares wobbled while commodity prices fell on Thursday as mounting worries about the risks of a global recession amid aggressive rate hikes by the Federal Reserve kept broad investor sentiment fragile.
- Oil prices continued to pull back on Thursday, dropping more than 2% as investors recalibrated assessments of recession risks and fuel demand amid interest rate hikes in major economies.

## International Markets

**USD:** The U.S. dollar remained under pressure on Thursday as it looked set to extend declines against major peers to a fourth day, hurt by Treasury yields wallowing near two-week lows amid rising concerns of a recession

**GBP:** GBP/USD remains sidelined after bouncing off intraday low, maintains weekly inaction. UK politics, Brexit woes exert downside pressure amid BOE's reluctance for heavy rate hikes. US dollar's struggle probe pair bears amid a lackluster session. UK by-elections' results, preliminary readings of June's PMIs and Powell's testimony 2.0 will be crucial. GBP/USD struggles to extend the bounce off intraday low near 1.2250-60 heading into Thursday's London open. In doing so, the Cable pair portrays the market's inaction amid mixed concerns and anxious mood.

**EUR:** A Darvas Box formation is indicating a volatility contraction in the asset. The RSI (14) is attempting to shift into the bullish range of 60.00-80.00. The shared currency bulls have defended the 20-EMA confidently. The EUR/USD pair is displaying a sideways move after a minor correction from the round-level resistance of 1.0600. On a broader note, the asset is auctioning in a range of 1.0444-1.0601 from the last week after witnessing a responsive buying action below 1.0400.

**INR:** The Indian rupee was trading higher to the dollar, helped by a further pullback in crude oil prices and a moderate advance in local equities. The rupee was quoting at 78.25 per dollar after slipping to a record low of 78.39 in the previous session. Oil prices dropped, adding to their recent pullback, on worries over the impact on demand from an economic downturn. The August Brent crude contract was down 2.5% at \$108.98 a barrel

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	117.10	123.50			
GBP/KES	142.10	151.40	GBP/USD	1.2285	1.2266
EUR/KES	122.20	130.60	EUR/USD	1.0581	1.0565
INR/KES		1.5980	AUD/USD	0.6925	0.6965
			USD/INR	77.60	77.55
			Commodities		
			Gold	1832	1826
			Brent Crude	109.64	111.10

## 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

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.