

# DAILY FOREX NEWSLETTER

Monday 27th June 2022

## Local Markets:

The Kenya's shilling was stable against the dollar on Friday but remained under pressure as manufacturers sought dollars amid limited inflows.

## Top News:

- Stocks gained in Asia on Monday amid improved risk sentiment after Wall Street rebounded strongly at the end of last week as oil prices eased, tempering fears of prolonged inflation and the accompanying aggressive Federal Reserve tightening.
- Oil prices slipped more than \$1 a barrel on Monday as global economic concerns depressed the oil demand outlook while investors eyed the G7 meeting this week for possible moves on Russian oil exports and a revival of the Iran nuclear deal.

## International Markets

**USD:** The dollar found support from investors worried about recession and seeking safety to hold just below a two-decade high on Monday, having slipped late last week after downbeat U.S. economic data reduced bets on U.S. interest rate hikes.

**GBP:** A break of the Darvas Box invites volatility expansion in the asset. The short-term EMAs are overlapping to the cable prices, which signals a consolidation ahead. A (40.00-60.00) range oscillation by the RSI (14) is advocating a rangebound phase going forward. The GBP/USD pair is displaying a lacklustre performance in the Asian session. The asset has auctioned in a narrow range of 1.2257-1.2279 and is constantly hovering around Friday's closing price at 1.2272. On a broader note, the cable is displaying back and forth moves from the past week after a responsive buying action below the psychological support of 1.2000.

**EUR:** EUR/USD holds lower ground near intraday bottom after the first weekly gain in four. Firmer yields, fears of higher rate hike underpin US dollar rebound. Concerning surrounding Russia, China adds strength to the greenback's haven demand. US Durable Goods Orders, speech from ECB's Lagarde eyed for fresh impulse. EUR/USD remains pressured around daily lows near 1.0550, after snapping the three-week uptrend, as traders reassess the previous recovery ahead of the key data/events. That said, the chatters surrounding Russia, China and the central banks' aggression also seem to weigh on the quote during early Monday morning in Europe.

**INR:** USD/INR picks up bids towards all-time high marked earlier in the day. RBI intervention fails to underpin INR rebound amid firmer oil prices, hawkish hopes from Fed. Indian equities managed to cheer cautious optimism on downbeat US inflation expectations, softer US data. USD/INR adds strength to overcome the 78.50 hurdle after witnessing the second retreat from 78.46 during Monday's Asian session, picking up bids to 78.31 by the press time. In doing so, the Indian rupee (INR) pair justifies the US dollar strength while raising doubts about the Reserve Bank of India's (RBI) intervention.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	117.10	124.90			
<b>GBP/KES</b>	142.10	153.90	<b>GBP/USD</b>	1.2345	1.2310
<b>EUR/KES</b>	122.20	132.30	<b>EUR/USD</b>	1.0575	1.0584
<b>INR/KES</b>		1.5980	<b>AUD/USD</b>	0.6965	0.6955
			<b>USD/INR</b>	77.50	77.60
			<b>Commodities</b>		
			<b>Gold</b>	1835	1826
			<b>Brent Crude</b>	113.22	110.01

## T-Bills Rates:

Duration	Current	Previous
91 Days	8.013%	7.925%
182 Days	9.163%	9.096%
364 Days	9.974%	9.961%

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