

# DAILY FOREX NEWSLETTER

Tuesday 28th June 2022

## Local Markets:

The Kenyan shilling held steady on Monday, but it was likely to remain under pressure from strong demand for dollars from grain, oil importers and manufacturers.

## Top News:

- Asian shares edge down in early trade on Tuesday with investors taking their cue from a volatile Wall Street session overnight, while oil prices climbed following last week's rout.
- Oil prices rallied for a third day on Tuesday as major producers Saudi Arabia and the United Arab Emirates looked unlikely to be able to boost output significantly while political unrest in Libya and Ecuador added to those supply concerns.

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia despite worries about economic recession. Investors await a speech from the European Central Bank (ECB) President Christine Lagarde.

**GBP:** GBP/USD regains upside momentum after Monday's lacklustre performance. UK lawmakers back Northern Ireland Protocol Bill in first of many parliamentary tests. US dollar struggles to regain market confidence amid lack of major data/events. BOE's Cunliffe, US CB Consumer Confidence to direct intraday moves, Wednesday's ECB Forum is the key. GBP/USD grinds higher around the intraday top near 1.2285, following a sluggish start to the week, as buyers cheer the US dollar weakness during Tuesday's Asian session. In doing so, the Cable pair ignores recent negative news surrounding Brexit, as well as the UK's political jitters.

**EUR:** EUR/USD is holding above 1.0570 ahead of ECB Lagarde's speech. A significant rate hike by the ECB looks likely as the inflation rate has climbed above 8%. The speech from Fed Powell will fade some clouds of uncertainty over the extent of July's rate hike. The EUR/USD pair is seeking some bids around 1.0580 and is expected to advance towards the round-level resistance of 1.0600. The asset is juggling in a narrow range of 1.0570-1.0586 from the early Tokyo session as investors are shifting their focus on speeches from European Central Bank (ECB) President Christine Lagarde and Federal Reserve (Fed) chair Jerome Powell on Tuesday and Wednesday respectively.

**INR:** USD/INR prints three-day uptrend to refresh all-time high. USD/INR NDFs hint at further upside momentum towards 79.00. Oil prices renew one-week top above \$110.00, up for the third consecutive day. RBI intervention, US data should be watched carefully for clear directions. USD/INR stays on the front foot while refreshing an all-time high of around 78.56 during the initial Indian trading session on Tuesday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.50			
<b>GBP/KES</b>	143.50	154.20	<b>GBP/USD</b>	1.2320	1.2345
<b>EUR/KES</b>	123.50	132.85	<b>EUR/USD</b>	1.0585	1.0575
<b>INR/KES</b>		1.6185	<b>AUD/USD</b>	0.6955	0.6965
			<b>USD/INR</b>	77.64	77.50
			<b>Commodities</b>		
			<b>Gold</b>	1825	1835
			<b>Brent Crude</b>	116.69	113.22

## 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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