

DAILY FOREX NEWSLETTER

Thursday 30th June 2022

Local Markets:

The Kenya's shilling weakened on Wednesday due to increased demand from oil companies and others in the energy sector.

Top News:

- Asian shares were ending a rough quarter in a sombre mood on Thursday amid fears Central Banks' cure for inflation will end up sickening the global economy, though it is proving to be a fillip for the safe-haven dollar and government bonds.
- Oil prices edged higher on Thursday after dipping in early Asian trade, as concerns about global supply tightness outweighed a build in U.S. gasoline and distillate inventories.

International Markets

USD: Asian shares were ending a rough quarter in a sombre mood on Thursday amid fears Central Banks' cure for inflation will end up sickening the global economy, though it is proving to be a fillip for the safe-haven dollar and government bonds.

GBP: GBP/USD remains pressured around two-week low, prints four-day downtrend. Clear downside break of seven-week-old horizontal area joins bearish MACD signals, downbeat RSI to favour sellers. Bulls to remain sceptical unless crossing monthly resistance line. GBP/USD struggles around a fortnight low while defending 1.2100 during Thursday's Asian session. In doing so, the Cable pair portrays the mixed sentiment of traders ahead of the UK Gross Domestic Product (GDP) and the Fed's preferred inflation gauge, namely the Core Personal Consumption Expenditure (PCE) Price Index.

EUR: EUR/USD has displayed a modest rebound on a minor correction in the DXY. The Central Banks do not see the return of a lower inflation environment. The US PCE Price Index may slip to 4.7% vs. 4.9% recorded earlier. The EUR/USD pair has witnessed a minor rebound after hovering around 1.0430 in the early Tokyo session. In the past two trading sessions, the asset has fallen like a house of cards after failing to sustain above the round-level resistance of 1.0600. The major extended its losses on Wednesday after violating the psychological support of 1.0500.

INR: USD/INR picks up bids to reverse the previous day's pullback from a record high. Risk-aversion, firmer USD join INR NDFs, rebound in oil prices to keep pair buyers hopeful. US Core PCE Price Index awaited, recession fears hint at the further upside. USD/INR regains upside momentum, after stepping back from a record top near 79.00 the previous day, even as the USD retreats during Thursday's Asian session

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.50			
GBP/KES	142.50	152.50	GBP/USD	1.2165	1.2250
EUR/KES	122.50	131.50	EUR/USD	1.0456	1.0555
INR/KES		1.6185	AUD/USD	0.6945	0.6945
			USD/INR	77.89	77.84
			Commodities		
			Gold	1816	1821
			Brent Crude	116.05	117.07

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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