

# DAILY FOREX NEWSLETTER

Monday 18<sup>th</sup> July 2022

## Local Markets:

The Kenya's shilling lost ground on Friday to touch a new all-time low due to increased dollar demand, especially from the oil companies.

## Top News:

- Asian shares inched higher on Monday following a much-needed bounce on Wall Street, but nerves are stretched ahead of a near-certain interest rate hike in Europe and another round of corporate earnings reports.
- prices fell \$1 in early trading in Asia on Monday, cutting into gains from Friday, as attention turned back to rising COVID-19 cases in China and the prospect of lockdowns again reducing fuel demand in the world's top oil importing nation.

## International Markets

**USD:** The dollar began the week nudging down from multi-year highs, with a hotter-than-forecast inflation reading in New Zealand lending modest support to the kiwi, though fears about Europe's gas supply put a cap on dollar selling.

**GBP:** GBP/USD remains on the front foot for the second consecutive day, renews intraday high of late. Bullish MACD, firmer RSI joins clear break of two-week-old descending trend line to favour bulls. Sellers need to break 1.1800 support area to retake control. GBP/USD takes the bids to refresh intraday high around 1.1900 during Monday's Asian session. In doing so, the Cable pair justifies its upside break of a two-week-old descending trend line.

**EUR:** EURUSD price is attempting to hold itself above 1.0100 ahead of stable Eurozone HICP figures. The ECB is expected to elevate its interest rates this time. The upbeat US Retail Sales are contaminated by higher price pressures. EURUSD price is juggling in a narrow range of 1.0100-1.0114 in the Asian session. The pair is scaling sharply higher amid a sell-off in the US dollar index (DXY). The asset has displayed a bullish open test-drive price action as a minor downside move after opening found significant bids from the market participants. The major has comfortably established above Friday's high at 1.0098 and is expected to extend gains further.

**INR:** USD/INR takes the bids to refresh intraday high, reverses Friday's pullback. RBI says India on course to become world's fastest-growing economy. Hawkish Fed bets ease on mixed US data, cautious Fed speak. Absence of Fed speak, major data also allows USD to pare recent gains. USD/INR renews intraday high around 79.80 during the initial hours of Monday's Asian session. In doing so, the Indian rupee (INR) pair fails to cheer RBI's upbeat expectations, as well as a reduction in the market's hawkish concerns surrounding the US Federal Reserve (Fed).

## 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>	140.00	149.60	<b>GBP/USD</b>	1.1905	1.1865
<b>EUR/KES</b>	118.50	126.90	<b>EUR/USD</b>	1.0110	1.0065
<b>INR/KES</b>		1.5980	<b>AUD/USD</b>	0.6825	0.6760
			<b>USD/INR</b>	78.75	78.70
			<b>Commodities</b>		
			<b>Gold</b>	1713	1709
			<b>Brent Crude</b>	101.84	99.86

## T-Bills Rates:

Duration	Current	Previous
91 Days	8.248%	8.167%
182 Days	9.305%	9.253%
364 Days	9.986%	9.980%

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