

DAILY FOREX NEWSLETTER

Wednesday 20th July 2022

Local Markets:

The Kenyan shilling edged lower on Tuesday, with traders citing dollar demand from manufacturers and oil importers before next month's election as a factor for its continuing decline.

Top News:

- Asian shares extended a global rally on Wednesday as strong U.S. corporate earnings and the expected resumption of Russian gas supply to Europe helped lift sentiment and ease fears of a recession, while the dollar was mired near two-week lows.
- Oil prices fell slightly in early Asian trade on Wednesday, pressured by global central bank efforts to tame inflation and ahead of expected builds in U.S. crude inventories as product demand weakens.

International Markets

USD: The U.S. dollar retreated further on Wednesday as the euro extended its overnight bounce on relief Europe might avoid the worst fears concerning energy shortages, and on the chance the European Central Bank may deliver a more aggressive rate hike.

GBP: GBP/USD has recaptured the psychological resistance of 1.2000 amid a positive market mood. Lower earnings and higher inflation rates may create more hitches for the households in the UK. Declining inflation expectations in the US may hurt DXY further. The GBP/USD pair has rebounded firmly after picking bids below 1.2000 in the early Tokyo session. The cable has remained in the grip of bulls amid a risk-on market impulse, which has improved the favourability of the risk-perceived assets.

EUR: EURUSD Price oscillates around 1.0230, upside remains favoured on hawkish ECB bets. EURUSD price has turned sideways after a perpendicular upside move recorded on Tuesday from a low of 1.0119. The asset is displaying back and forth moves in a narrow range of 1.0222-1.0233 and is expected to resume the north-side move amid broader strength in the shared currency bulls.

INR: The Indian rupee treaded water in morning trade on Wednesday as the market weighed gains in the domestic share market and slight falls in international crude oil prices against strong dollar demand driven by U.S. interest rate rises.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.50			
GBP/KES	140.50	151.50	GBP/USD	1.2050	1.1990
EUR/KES	120.10	128.85	EUR/USD	1.0280	1.0180
INR/KES		1.5980	AUD/USD	0.6950	0.6880
			USD/INR	78.95	78.90
			Commodities		
			Gold	1709	1708
			Brent Crude	106.58	105.85

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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