

DAILY FOREX NEWSLETTER

Friday 22nd July 2022

Local Markets:

The Kenyan shilling inched lower against the dollar on Thursday, but the pressure was expected to lift as foreign-currency demand cools ahead of the presidential election in August.

Top News:

- Asian stock markets were on course for their best week in months and the dollar held off recent record highs after the European Central Bank (ECB) raised rates for the first time in more than a decade and bets on the size of U.S. rate hikes eased.
- Oil prices climbed in Asia trading on Friday, rebounding from previous declines on supply tightness and geopolitical tensions even though weakened demand in the United States has cast a shadow on the market this week.

International Markets

USD: The dollar was down on Friday morning in Asia after the European Central Bank raised interest rates more than expected on Thursday as concerns about runaway inflation trumped worries about growth.

GBP: GBP/USD takes offers to refresh intraday low, reverses the previous day's corrective pullback. DXY pares the first weekly loss in four as traders await flash US PMIs for July, FOMC. Political, Brexit crisis in the UK keeps bears hopeful ahead of British Retail Sales for June, Flash PMIs for July. GBP/USD pares the first weekly gains in four as it takes offers around 1.1960 to refresh intraday low heading into the London open on Friday. The Cable pair's latest weakness could be linked to the US dollar's broad recovery ahead of the next week's Federal Open Market Committee (FOMC). Also weighing on the quote could be the cautious sentiment ahead of the key UK Retail Sales for June and preliminary readings of the UK and the US S&P Global PMIs for July. Additionally, political anxiety and Brexit fears are extra burdens for the pair.

EUR: EURUSD price holds lower ground near intraday bottom, stays on the way to first weekly gain in four. ECB drowned yields, US dollar with higher-than-forecast rate hike, TPI. Fears of economic slowdown, pre-Fed anxiety keep sellers hopeful with eyes on flash PMIs for July. EURUSD price reverses the European Central Bank (ECB) inspired gains as it remains pressured around the intraday low of 1.0190 heading into Friday's European session. In doing so, the major currency pair stays inside the immediate trading range while preparing to snap the three-week downtrend.

INR: USD/INR grinds higher around intraday top, stays inside 79.70-80.15 weekly trading range. FICCI cuts India's FY 2023 GDP growth forecasts, Indian equities brace for the best week since mid-March. US PMIs, Fed's moves will be important for fresh impulse. USD/INR dribbles around the daily top surrounding 79.90 as the US dollar consolidates the previous day's losses ahead of the key PMI data for July, as well as next the next week's Federal Open Market Committee (FOMC)

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.60			
GBP/KES	140.50	150.50	GBP/USD	1.1995	1.2040
EUR/KES	120.10	128.20	EUR/USD	1.0195	1.0245
INR/KES		1.5890	AUD/USD	0.6945	0.6945
			USD/INR	78.99	78.97
			Commodities		
			Gold	1713	1692
			Brent Crude	104.75	106.05

T-Bills Rates:

Duration	Current	Previous
91 Days	8.322%	8.248%
182 Days	9.393%	9.305%
364 Days	9.968%	9.986%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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