

DAILY FOREX NEWSLETTER

Tuesday 26th July 2022

Local Markets:

The Kenya's shilling was broadly stable on Monday, with demand for dollars from general goods importers being matched by inflows from non-governmental organizations.

Top News:

- U.S. equities were choppy on Monday with the Nasdaq leading declines ahead of a big week of technology earnings reports while oil prices rose, and treasury yields edged higher as investors braced for a Federal Reserve interest rate hike.
- Oil rose on Tuesday on expectations Russia's reduction in natural gas supply to Europe could encourage a switch to crude, though concerns over weakening fuel demand because of an expected increase in U.S. interest rates limited gains.

International Markets

USD: The dollar was down on Tuesday morning in Asia ahead of the U.S. Federal Reserve policy decision.

GBP: GBP/USD takes the bids to refresh intraday high, print four-day uptrend. Fears of US economic slowdown, softer data join downbeat yields to weigh on US dollar. BOE hawks struggle amid UK PM race, inflation concerns in Britain. Talks surrounding UK politics, US Consumer Confidence for July will be important ahead of Wednesday's FOMC. GBP/USD grinds higher at the monthly top, printing the four-day uptrend as it rises to 1.2085 during Tuesday's Asian session. It's worth noting that the cable pair's recent strength takes clues from the US dollar's weakness while ignoring concerns over UK inflation and politics

EUR: EUR/USD is eyeing more upside after overstepping the barricade of 1.0250. Escalating recession worries have weighed pressure on the DXY. The Fed is likely to hike interest rates by 75 bps as a 1% rate hike is out of the picture. The EUR/USD pair has sensed a mild selling pressure while attempting an upside move above the critical hurdle of 1.0250. The asset is expected to surpass the same as the US dollar index has entered into a negative trajectory.

INR: USD/INR holds lower ground after refreshing eight-day low the previous day. US dollar tracks downbeat yields as weak US data underpins fears of recession. Mixed sentiment in Asia-Pacific, lack of major data/events restrict immediate moves. US Consumer Confidence can entertain traders ahead of Fed. USD/INR remains pressured around a one-week low, marked the previous day, as traders seek fresh clues during Tuesday's Asian session. In doing so, the Indian rupee (INR) pair cheers the softer US dollar, amid cautious optimism, around 79.70 at the latest.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.60			
GBP/KES	141.40	151.65	GBP/USD	1.2095	1.1990
EUR/KES	120.70	128.70	EUR/USD	1.0260	1.0245
INR/KES		1.5890	AUD/USD	0.6995	0.6955
			USD/INR	78.85	78.95
			Commodities		
			Gold	1722	1725
			Brent Crude	106.45	102.58

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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