

# DAILY FOREX NEWSLETTER

Wednesday 27th July 2022

## Local Markets:

The Kenya's shilling was unchanged on Tuesday, and it was expected to weaken, thanks to increased demand for dollars from importers across most sectors in the economy.

## Top News:

- Better-than-expected results at Microsoft and Google helped soothe a nervous mood in stock markets on Wednesday, while a cut in Russian gas flow dragged on the euro and a Federal Reserve meeting due later in the day kept bonds and the dollar on edge.
- Oil prices held steady on Wednesday as concerns about weaker demand offset industry data that showed a larger-than-expected drawdown in U.S. crude stockpiles.

## International Markets

**USD:** The dollar was down on Wednesday morning in Asia ahead of an expected U.S. interest rate hike from the U.S. Federal Reserve.

**GBP:** GBP/USD retreats from intraday high, stays mildly bid around monthly peak. 200-SMA, six-week-old resistance line guards immediate upside. Bears need validation from 1.1980 to retake control. GBP/USD bulls take a breather around 1.2050 inside a fortnight-old rising bearish chart pattern during early Wednesday. That said, recently firmer RSI backs the Cable pair's corrective pullback from the yearly low.

**EUR:** EUR/USD is aiming to extend recovery above 1.0150 as DXY is displaying a subdued performance. Expectations of a slowdown in retail demand and employment generation have restricted DXY's upside. The energy crisis in Eurozone may escalate as Winter is coming. The EUR/USD pair is advancing strongly in the Asian session as the US dollar index (DXY) is displaying a subdued performance ahead of the interest rate decision by the Federal Reserve (Fed). The asset has displayed a bullish open drive move on Wednesday as the pair is driving higher right from the first tick of the trading session. The shared currency bulls are likely to expand gains if the asset manages to surpass the immediate hurdle of 1.0150.

**INR:** USD/INR defends the previous day's rebound from a fortnight low. Indian government cites multiple reasons to justify rupee's fall. Pre-Fed anxiety joins global recession risk, downbeat signals from Wall Street to favor pair buyers. FOMC all set for a 0.75% rate hike, but Powell's speech will be crucial. USD/INR picks up bids to 79.86 as buyers defend the previous day's rebound during Wednesday's Asian session. In doing so, the Indian rupee (INR) pair ignores the recent pullback of the US dollar amid fears of economic slowdown, as well cautious mood ahead of the Federal Open Market Committee (FOMC) meeting.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.60			
<b>GBP/KES</b>	141.40	151.70	<b>GBP/USD</b>	1.2085	1.2095
<b>EUR/KES</b>	119.50	127.80	<b>EUR/USD</b>	1.0180	1.0260
<b>INR/KES</b>		1.5890	<b>AUD/USD</b>	0.6965	0.6995
			<b>USD/INR</b>	78.95	78.85
			<b>Commodities</b>		
			<b>Gold</b>	1715	1722
			<b>Brent Crude</b>	104.46	106.45

## T-Bills Rates:

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

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