

DAILY FOREX NEWSLETTER

Monday 4th July 2022

Local Markets:

The Kenya's shilling was little changed on Friday, and it was expected to weaken due to increased demand for dollars from energy and general goods importers.

Top News:

- Global share markets wavered on Monday as a run of soft U.S. data suggested downside risks for this week's June payrolls report, while the hubbub over possible recession was still driving a relief rally in government bonds.
- Oil prices settled by more than \$3 a barrel on Friday, supported by tight supply, but they notched their second weekly decline on concern that rising interest rates could push the world economy into recession.

International Markets

USD: The dollar was down on Monday morning in Asia, but moves were small as growth fears continued to stalk markets.

GBP: GBP/USD licks its wounds around two-week low, picks up bids of late. Another attempt to oust UK PNM Johnson, pessimism among British companies keeps bears hopeful. US holiday, bond market buying challenge further downside amid the inactive session. UK updates, recession fears to underpin bearish bias ahead of FOMC Minutes, US employment report. GBP/USD seesaws around 1.2100 as traders struggle for clear directions amid downbeat UK catalysts and the US dollar pullback. That said, the Cable bears take a breather around the two-week low during early Monday morning in Europe.

EUR: EUR/USD retreats from intraday high inside a bullish chart pattern. Bullish MACD signals, higher lows marked since May 13 favor buyers. 50-HMA, the upper line of the wedge guard immediate advances, bears can aim for yearly low. EUR/USD remains pressured around 1.0425-30, fading late Friday's bounce off a fortnight low inside a falling wedge bullish chart formation

INR: USD/INR to open bid, risk off, higher oil prices underpin. Pair closed at 78.94 on Friday, traded btw 78.94-79.12 rg intraday. NDFs closed at 79.14-18 in NY, last at 79.19-24. Expect USD/INR to open around 79.0 handle, test at 79.20 new record high eyed. Inflation and growth worries in India and globally to see USD/INR marching towards 80.0

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.50			
GBP/KES	142.50	152.40	GBP/USD	1.2135	1.2145
EUR/KES	122.50	131.20	EUR/USD	1.0460	1.0485
INR/KES		1.6185	AUD/USD	0.6855	0.6855
			USD/INR	78.00	77.90
			Commodities		
			Gold	1812	1803
			Brent Crude	111.53	108.90

T-Bills Rates:

Duration	Current	Previous
91 Days	8.097%	8.013%
182 Days	9.196%	9.163%
364 Days	9.985%	9.974%

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