

# DAILY FOREX NEWSLETTER

Thursday 7<sup>th</sup> July 2022

## Local Markets:

The Kenya's shilling was stable on Wednesday, as dollar demand from fuel importers and manufacturers started to cool.

## Top News:

- The euro huddled at a two-decade low on Thursday and oil nursed losses as investors fretted about a looming recession, while equities were caught between growth worries and relief that a slowdown might put the brakes on interest rate hikes.
- Brent crude futures extended declines for a third session on Thursday, slipping under \$100 a barrel, as fears of a potential global recession spurred concerns about oil demand.

## International Markets

**USD:** The dollar was down on Thursday morning in Asia despite expectations of aggressive interest rate hikes that grew over the hawkish minutes of the U.S. Federal Reserve's June meeting.

**GBP:** GBP/USD snaps two-day downtrend at the lowest levels since March 2020. UK PM Johnson refrains from stepping down despite political push, slew of Tory resignations. EU's Šefčovič rejects the UK's NIP efforts, inversion of the yield curve highlights recession fears. US ADP Employment Change, Brexit headlines and UK's political news will be crucial to watch for fresh impulse. GBP/USD grinds higher around the intraday top near 1.1950, snapping a two-day downtrend at the lowest levels since 2020. The cable pair's latest strength could be linked to the UK's political and Brexit problems. However, the recent pullback in the US dollar appears to challenge the pair sellers during Thursday's sluggish Asian session.

**EUR:** EUR/USD is attempting to extend its recovery above 1.0200 as investors expect a downbeat US NFP. A preliminary estimate for the US NFP is 270k, lower than the prior print of 390k. Stable Average Hourly Earnings in the US may hurt the pay checks of the households. The EUR/USD pair has attracted some bids after sensing exhaustion signals near 1.01610. A dead cat bounce is supporting the shared currency bulls and now the same are attempting to extend their recovery above 1.0200.

**INR:** USD/INR remains pressured inside a bullish chart pattern after reversing from all-time high. RBI takes measures to boost USD inflow, tame current account deficit. no respite for India's rupee. US ADP Employment Change, economic slowdown chatters eyed for fresh impulse. USD/INR remains defensive above 79.00, after reversing from the record high the previous day, as the Reserve Bank of India (RBI) intervenes

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.50			
<b>GBP/KES</b>	140.20	150.30	<b>GBP/USD</b>	1.1987	1.1965
<b>EUR/KES</b>	120.00	128.50	<b>EUR/USD</b>	1.0240	1.0285
<b>INR/KES</b>		1.6100	<b>AUD/USD</b>	0.6845	0.6840
			<b>USD/INR</b>	78.20	78.15
			<b>Commodities</b>		
			<b>Gold</b>	1745	1767
			<b>Brent Crude</b>	101.24	104.34

## 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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