

DAILY FOREX NEWSLETTER

Monday 15th August 2022

Local Markets:

The Kenyan shilling weakened slightly on Friday, hurt by demand for hard currency from a range of sectors including energy and manufacturing.

Top News:

- Asian shares turned mixed on Monday after China's Central Bank trimmed key lending rates as a raft of economic data missed forecasts, underlining the need for more stimulus to support the world's second largest economy.
- Oil prices plunged around 2% on Friday, on expectations that supply disruptions in the U.S. Gulf of Mexico would be short-term, while recession fears clouded the demand outlook.

International Markets

USD: The dollar rallied on Friday but was set for a weekly drop as traders weighed improving U.S. inflation data against comments from Federal Reserve officials who cautioned the battle against rising prices was far from over.

GBP: GBP/USD resists extending a two-day downtrend despite recent inaction. BOE's Bailey shows readiness for a 'review' on UK PM Candidate Truss' criticism. UK employment, retail sales and inflation data to decorate calendar, Fed Minutes will be eyed too. GBP/USD picks up bids to refresh intraday high near 1.2150 during Monday's Asians session. In doing so, the cable pair cheers the broad US dollar weakness while paying less heed to the uncertainty surrounding the Bank of England's next move.

EUR: EUR/USD picks up bids to consolidate daily losses amid sluggish session. Headlines surrounding Russia bonds, China underpin cautious optimism. Fed speak, Sino-American tussles and the European economic fears seem to challenge. Eurozone GDP, FOMC Minutes will be crucial for near-term directions. EUR/USD licks its wounds as traders brace for the long week during early Monday morning in Europe. Even so, the major currency pair remains down for the second consecutive day while keeping eyes on this week's Federal Open Market Committee meeting minutes, as well as chatters surrounding the Eurozone recession.

INR: USD/INR remains sidelined between 20-DMA support and monthly resistance line. Impending bull cross on MACD suggests further grinding towards the north. Fortnight-old support line, 50-DMA restricts short-term downside. A successful break of 80.00 appears necessary for buyers' conviction. USD/INR extends the previous day's reversal from a two-week-old hurdle while taking rounds to 79.60-65 during the early Monday morning in Europe. Even so, the 20-DMA defends the Indian rupee (INR) sellers while the looming bull cross on the MACD teases the pair buyers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.80			
GBP/KES	143.50	153.00	GBP/USD	1.2160	1.2225
EUR/KES	120.10	129.40	EUR/USD	1.0285	1.0340
INR/KES		1.6040	AUD/USD	0.7135	0.7155
			USD/INR	78.63	78.65
			Commodities		
			Gold	1794	1790
			Brent Crude	97.17	99.06

T-Bills Rates:

Duration	Current	Previous
91 Days	8.565%	8.473%
182 Days	9.433%	9.400%
364 Days	9.922%	9.920%

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