

DAILY FOREX NEWSLETTER

Tuesday 16th August 2022

Local Markets:

The Kenya's shilling was unmoved in thin trade on Monday as traders awaited the result of the Aug. 9 presidential election.

Top News:

- Asian markets struggled for direction on Tuesday, weighed by worries over global growth following weak China data that knocked oil prices and commodity-linked currencies.
- Oil prices fell on Tuesday as bleak economic data from top crude buyer China renewed fears of a global recession.

International Markets

USD: China's yuan fell the most among Asian currencies on Tuesday, hitting a three-month low as a surprise rate cut by the Central Bank raised concerns over slowing economic growth.

GBP: GBP/USD recovers losses to trade back above 1.2050 amid risk reset. The US dollar eases while the US Treasury yields remain sluggish. Critical UK economic data are awaited ahead of the Fed minutes. GBP/USD has paused its three-day sell-off near mid-1.2000s, as bears take breather ahead of the UK employment data release. The UK ILO Unemployment Rate is seen steady at 3.8% in June while the average hourly earnings ex-bonus is likely to tick higher from 4.3% to 4.5% in June.

EUR: EUR/USD retreats from intraday high during a sluggish session. Growth concerns underpin US dollar demand even as downbeat data challenges the pair bears. German energy crisis emphasizes ZEW data for fresh impulse. Second-tier US economics could also entertain traders ahead of the key Wednesday. EUR/USD licks its wounds around 1.0160, after a brief corrective pullback, as fears surrounding economic slowdown join pre-data anxiety. With this, the major currency also justifies the bearish technical formation during early Tuesday morning in Europe.

INR: USD/INR struggles to extend recent pullback amid off in Indian currency, bond markets. Growth fears surrounding China, US keep buyer's hopeful amid a sluggish session. Hawkish hopes from Fed minutes put a floor under the prices. Second-tier US data, risk catalysts can entertain intraday traders. USD/INR picks up bids to pare recent losses around 79.58 during the mid-Asian session on Tuesday. In doing so, the Indian rupee (INR) pair justifies the market's risk-off mood amid sluggish trading hours, while also respecting the bullish chart pattern.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.80			
GBP/KES	142.10	152.50	GBP/USD	1.2085	1.2160
EUR/KES	120.00	128.50	EUR/USD	1.0190	1.0285
INR/KES		1.6040	AUD/USD	0.7080	0.7135
			USD/INR	78.35	78.63
			Commodities		
			Gold	1781	1794
			Brent Crude	94.29	97.17

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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