

DAILY FOREX NEWSLETTER

Wednesday 24th August 22

Local Markets:

The Kenyan shilling was slightly weaker on Tuesday, Kenya's currency typically comes under pressure towards the end of the month as importer dollar demand picks up, which could affect trading in the coming days.

Top News:

- The U.S. dollar steadied just below recent peaks on Wednesday, as investors waited to hear from the Federal Reserve and pondered whether weak U.S. data may slow the pace of rate hikes.
- Oil prices fell on Wednesday, taking a breather from a nearly 4% surge the previous day on receding fears of an imminent output cut by the Organization of the Petroleum Exporting Countries and allies, a group known as OPEC+.

International Markets

USD: The dollar edged back from a fresh two-decade high against the euro after data showed U.S. private sector activity was weaker than expected in August, prompting bets the Federal Reserve may be less aggressive in its rate hiking cycle.

GBP: GBP/USD reverses the bounce off 2.5-year low, pressured around intraday bottom. Money market bets hint at 4.0% BOE rate in March, from 1.75% currently. UK data appeared comparatively better than the US ones but Sunak's defence of BOE appear to favour bears. Recession woes, hawkish Fed speak adds strength to the downside bias. GBP/USD holds lower ground near 1.1800 during early Wednesday morning in Europe, following a failed attempt to recover from the yearly low the previous day. In doing so, the cable pair traces the broad US dollar strength while paying a little heed to the hawkish market bets on the Bank of England's (BOE) next move.

EUR: EUR/USD is juggling around 0.9950 as investors await US Durable Goods Orders data. The potential German energy crisis has put the shared currency bulls on the tenterhooks. The US Durable Goods Orders are expected to trim to 0.6% vs. 2% recorded earlier. The EUR/USD pair is displaying back and forth moves in a narrow range of 0.9944-0.9956 in the Asian session. The asset has turned sideways after a decent correction from above the magical figure of 1.0000. Considering a broader context, the downside for the EUR/USD pair remains favoured. Earlier, the asset rebounded firmly after printing a fresh two-decade low near 0.9900 as German Purchasing Managers Index displayed a mixed performance despite vulnerable consensus.

INR: USD/INR holds lower ground inside bearish chart pattern. RSI signals that bulls are running out of steam around record high. 200-SMA can offer an intermediate halt, 80.20 appears key upside hurdle. USD/INR remains pressured for the third consecutive day after reversing from the monthly high, depressed around 79.82 during Wednesday's Asian session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.10			
GBP/KES	139.00	149.50	GBP/USD	1.1845	1.1795
EUR/KES	117.00	125.80	EUR/USD	0.9995	0.9995
INR/KES		1.6040	AUD/USD	0.6945	0.6945
			USD/INR	78.80	78.55
			Commodities		
			Gold	1747	1736
			Brent Crude	99.76	97.14

T-Bills Rates:

Duration	Current	Previous
91 Days	8.669%	8.565%
182 Days	9.492%	9.433%
364 Days	9.909%	9.922%

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