

DAILY FOREX NEWSLETTER

Friday 26th August 22

Local Markets:

The Kenyan shilling was slightly weaker on Thursday, extending a long-running slide on month-end demand for dollars from manufacturers, general goods importers, and oil marketers.

Top News:

- Asian shares rose on Friday, buoyed by news of possible progress for China and the United States to hammer out an audit deal, while traders anxiously awaited a speech from Federal Reserve Chair Jerome Powell on rate-hike path later in the day.
- Oil prices rose as much as \$1 on Friday on signs of improving fuel demand, although further gains were capped as the market awaited clues from the U.S. Federal Reserve chairman on the outlook for rate hikes in a speech later in the day.

International Markets

USD: The dollar index slipped while the euro was steady on Thursday in choppy trading as investors awaited Federal Reserve Chairman Jerome Powell's speech on Friday for further clues about the pace of the U.S. central bank's rate hikes.

GBP: GBP/USD bears moving in as the US dollar perks up. The Jackson Hole is a key event for the pair where Fed's Jerome Powell will speak. GBP/USD is under pressure and has moved back to a flat position for the day so far as the US dollar perks up in Tokyo ahead of the Federal Reserve's chairman Jerome Powell speaking at the Jackson Hole later today.

EUR: EUR/USD is expected to deliver a lacklustre performance ahead of Fed Powell's speech. Fed's Powell is expected to follow the footprints of RBNZ's Orr and may sound hawkish. The arrival of winter will impact the already vulnerable Europe energy market. The EUR/USD pair is auctioning in a limited territory as investors are awaiting commentary from Federal Reserve (Fed) chair Jerome Powell at Jackson Hole Economic Symposium. The asset is oscillating in a narrow range of 0.9963-0.9976 ahead of cues from Fed Powell's commentary for more informed decisions. However, the downside remains favoured as odds are favouring a hawkish commentary on interest rates.

INR: The Indian rupee was almost flat versus the U.S. dollar at 79.8725, as investors awaited Powell's speech for clues on the pace of rate hikes.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.10			
GBP/KES	139.50	149.50	GBP/USD	1.1845	1.1885
EUR/KES	117.40	125.90	EUR/USD	0.9990	1.0055
INR/KES		1.6050	AUD/USD	0.6995	0.6990
			USD/INR	78.70	78.65
			Commodities		
			Gold	1755	1758
			Brent Crude	100.14	101.84

T-Bills Rates:

Duration	Current	Previous
91 Days	8.767%	8.669%
182 Days	9.532%	9.492%
364 Days	9.91%	9.909%

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