

# DAILY FOREX NEWSLETTER

Monday 29th August 22

## Local Markets:

The Kenyan shilling weakened slightly on Friday, hurt by strong end-month demand from the energy sector.

## Top News:

- Asian shares slid on Monday as the mounting risk of more aggressive rate hikes in the United States and Europe shoved bond yields and the dollar sharply higher, and tested equity and earnings valuations
- Oil prices rose 1% on Monday, as expectations OPEC will cut output if needed to support prices, conflict in Libya, and rising demand amid soaring natural gas prices in Europe helped offset a dire outlook for growth in the United States.

## International Markets

**USD:** China's yuan led losses across Asian currencies on Monday after weak industrial data, while the U.S. dollar hit a 20-year high on hawkish signals from the Federal Reserve.

**GBP:** GBP/USD holds lower ground at the recently flashed multi-month bottom. Fears of UK's recession escalate as energy bill jumps, political anxiety escalates. Hawkish Fed, risk-aversion underpin DXY towards refreshing 19-year top. Holiday in the UK could restrict immediate moves, PMIs, US NFP will be crucial for near-term directions. GBP/USD stays bearish at the lowest levels since March 2020, down 0.66% intraday to near 1.1660 during early Monday morning in Europe. That said, the Cable pair refreshed the multi-month low amid broad US dollar strength. The downside moves, however, recently struggled as the UK markets are closed due to the Summer Bank Holiday.

**EUR:** EUR/USD remains pressured towards nearly two-decade low marked the last week. Yields propel DXY towards refreshing close to 20-year high, but ECB hawks seem to test pair bears. Stimulus news from Germany, light calendar adds filters to downside move. Light calendar, UK holiday could restrict intraday losses even as bulls are stopped. EUR/USD takes offers to refresh intraday low around 0.9925 during early Monday morning in Europe. In doing so, the major currency pair respects the broadly firmer US Dollar Index (DXY) amid hawkish calls surrounding the US Federal Reserve (Fed) during a quiet session

**INR:** The Indian rupee declined to 80.0250 versus the U.S. dollar, compared with 79.8650 in the previous session, tracking a surge in the dollar following Fed Chair Jerome Powell's comments. The local currency had earlier declined to a record low of 80.12, but likely intervention by the Reserve Bank of India helped it recover marginally

## Indicative FX rates as at 8.30am:

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