

# DAILY FOREX NEWSLETTER

Tuesday 30th August 22

## Local Markets:

The Kenya's shilling was stable on Monday, and it was expected to weaken due to increased demand for dollars especially from oil marketing companies that exceeded inflows from remittances.

## Top News:

- Shares in the Asia-Pacific were mixed on Tuesday after sharp falls to start the week following Fed Chair Jerome Powell's hawkish speech in Jackson Hole.
- Oil prices fell on Tuesday after notching their highest gains in more than a month in the previous session, as global inflation worries overshadowed the prospect of possible OPEC+ output cuts.

## International Markets

**USD:** Most Asian currencies fell on Tuesday, albeit at a slower pace than before as pressure from the dollar eased, although concerns over rising U.S. interest rates kept markets subdued.

**GBP:** GBP/USD has scaled above the immediate hurdle of 1.1700 firmly. As the US economy is operating at full employment level, a decline in US NFP is admissible. A decline in US earnings data may dent the market sentiment. The GBP/USD pair has delivered an upside break of the consolidation formed in a narrow range of 1.1687-1.1697 and is aiming to sustain above the immediate hurdle of 1.1700. The cable has turned sideways after a meaningful pullback move from Monday's low at 1.1650. The asset is expected to continue its doldrums as investors are getting sidelined ahead of the US Nonfarm Payrolls, which will release on Friday.

**EUR:** EUR/USD is aiming to sustain above the magical figure of 1.0000 for a fresh rally. The German HICP is expected to advance further to 8.7% amid the energy crisis. A decline in ISM Manufacturing PMI may weigh pressure on the DXY. The EUR/USD pair has displayed a minor rebound after hitting the immediate support near 0.9980 in the Asian session. On a broader note, the asset is oscillating in a range of 0.9981-1.0029 and is likely to remain rangebound as the market participants are awaiting the release of the Germany Inflation figures.

**INR:** USD/INR takes offers to renew intraday low, reverses from monthly high. RSI retreat, sluggish MACD hints at further weakness towards short-term support line. Bulls await a sustained daily closing beyond 80.00 to retake control. USD/INR snaps a three-day uptrend while taking a U-turn from the monthly top, taking offers to refresh the intraday low near 79.85 by the press time.

## 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> | 138.50 | 147.90  | <b>GBP/USD</b>     | 1.1750 | 1.1845   |
| <b>EUR/KES</b> | 117.40 | 126.35  | <b>EUR/USD</b>     | 1.0050 | 0.9990   |
| <b>INR/KES</b> |        | 1.6050  | <b>AUD/USD</b>     | 0.6895 | 0.6995   |
|                |        |         | <b>USD/INR</b>     | 78.80  | 78.70    |
|                |        |         | <b>Commodities</b> |        |          |
|                |        |         | <b>Gold</b>        | 1735   | 1755     |
|                |        |         | <b>Brent Crude</b> | 104.32 | 101.14   |

## 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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