

DAILY FOREX NEWSLETTER

Tuesday 2nd August 2022

Local Markets:

The Kenya's shilling slipped slightly lower on Monday as dollar demand from manufacturers and oil marketers outweighed limited inflows.

Top News:

- Asia stocks continued a decline from Wall Street on Tuesday, and U.S. long-term Treasury yields sank to a four-month low, pulling the U.S. dollar down against the yen and other currencies as investors worried about the risk of global recession.
- Oil prices dropped again on Tuesday as investors absorbed a bleak outlook for fuel demand with data pointing to a global manufacturing downturn just as major crude producers meet this week to determine whether to increase supply.

International Markets

USD: The U.S. dollar hit its lowest level since mid-June against the Japanese yen on Monday as investors weighed the likelihood that the Federal Reserve will not raise interest rates as aggressively as some had expected.

GBP: GBP/USD grinds higher after refreshing the monthly peak the previous day. Bullish MACD signals, sustained break of 50-DMA favour buyers. Previous resistance line from February, two-week-old support trend line add to the downside filters. 38.2% Fibonacci retracement, 100-DMA lures buyers ahead of May's top. GBP/USD bulls struggle to keep reins around the monthly top during early Tuesday morning in Europe. That said, the Cable pair takes rounds to 1.2250-60 by the press time.

EUR: EUR/USD retreats from one-month high, pares gains during three-day uptrend. Treasury yields down the US dollar amid "technical recession", mixed US data. China-linked headlines, economic fears surrounding the bloc probe upside momentum. Speeches from Fed's Evans, Bullard could entertain traders, but US NFP is the key. EUR/USD bulls struggle to keep reins despite refreshing one-month high near 1.0300 during Tuesday's mid-Asian session, retreating to 1.0260 by the press time. In doing so, the major currency pair justifies the market's risk-off mood while also keeping the broad US dollar weakness in mind ahead of important data/events.

INR: USD/INR remains depressed around one-month low, down for the fourth consecutive day. A clear downside break of three-month-long ascending trend line joins bearish MACD to favor sellers. Tops marked during early June; late May could act as additional downside filters. Market players expect RBI to increase Repo rate. USD/INR extends the previous week's bearish trajectory as it renews the monthly low near 78.95 during Tuesday's Asian session. In doing so, the Indian rupee (INR) pair justifies Friday's downside break of the ascending trend line from May amid bearish MACD signals.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.60			
GBP/KES	143.70	154.20	GBP/USD	1.2285	1.2210
EUR/KES	120.80	129.40	EUR/USD	1.0285	1.0255
INR/KES		1.6090	AUD/USD	0.6995	0.7035
			USD/INR	78.00	78.55
			Commodities		
			Gold	1773	1761
			Brent Crude	99.27	102.92

T-Bills Rates:

Duration	Current	Previous
91 Days	8.399%	8.322%
182 Days	9.392%	9.393%
364 Days	9.946%	9.968%

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