

# DAILY FOREX NEWSLETTER

Wednesday 3rd August 2022

## Local Markets:

The Kenya's shilling hit a fresh record low on Tuesday due to increased demand for dollars from oil and manufacturing companies before recouping some losses.

## Top News:

- Asia-Pacific bond yields followed U.S. Treasury yields higher on Wednesday and the dollar continued its climb after Federal Reserve officials signaled, they are nowhere near done raising interest rates.
- Oil prices fell about 1% in early trade on Wednesday before paring some losses, ahead of a meeting OPEC+ producers on fears of a slowdown in global growth hitting fuel demand and a firmer dollar.

## International Markets

**USD:** The dollar strengthened sharply against the Japanese yen on Tuesday as remarks by U.S. Federal Reserve officials hinted that more interest rate hikes are coming in the near term.

**GBP:** GBP/USD has climbed to 1.2177 as risk-on impulse returns confidently to the FX domain. The DXY is likely to remain uncertain ahead of the US NFP data. Investors are hoping for a 25-bps rate hike by the BOE. The GBP/USD pair has surpassed the immediate hurdle of 1.2172 as investors have ignored the US-China tensions and have returned to risk-perceived currencies. The cable picked significant bids below 1.2140 and displayed a vertical upside move. The asset has printed an intraday high of 1.2175 and is likely to extend gains.

**EUR:** EUR/USD consolidates the biggest daily loss in one week around short-term key support line. China's Caixin Services PMI, mixed comments from the Fed policymakers favour corrective pullback. Sino-American tussles over Taiwan, fears of Fed's aggression keep bears hopeful. EU Retail Sales, US ISM Services PMI will decorate the calendar. EUR/USD picks up bids to refresh the intraday high near 1.0195 while reversing the previous day's pullback from the monthly top. In doing so, the major currency pair respects the latest shift in the market's sentiment during early Wednesday morning in Europe.

**INR:** USD/INR picks up bids to snap five-day uptrend, rebounds from five-week low. Improvement in RSI, MACD hints at further recovery towards weekly resistance line, 200-SMA. Multiple supports challenge bear's re-entry, 78.40 limits immediate downside. USD/INR recovers from the lowest levels in five weeks, refreshing intraday high near 78.75 amid early Wednesday morning in Europe. In doing so, the Indian rupee (INR) pair prints the first daily gains in six while bouncing off the 61.8% Fibonacci retracement of the June-July upside.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.60			
<b>GBP/KES</b>	142.50	153.40	<b>GBP/USD</b>	1.2210	1.2285
<b>EUR/KES</b>	120.00	128.30	<b>EUR/USD</b>	1.0195	1.0285
<b>INR/KES</b>		1.6090	<b>AUD/USD</b>	0.6960	0.6995
			<b>USD/INR</b>	78.05	78.00
			<b>Commodities</b>		
			<b>Gold</b>	1769	1773
			<b>Brent Crude</b>	100.08	99.27

## 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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