

DAILY FOREX NEWSLETTER

Thursday 4th August 2022

Local Markets:

The Kenya's shilling traded flat on Wednesday, as the forex market slowed ahead of the Aug. 9 election.

Top News:

- Asian stocks rose on Thursday, taking cues from a strong rally on Wall Street after robust economic data and upbeat corporate guidance boosted investor appetite.
- Oil prices rose on Thursday as supply concerns triggered a rebound from multi-month lows plumbed in the previous session after U.S. data signaled weak fuel demand.

International Markets

USD: The U.S. dollar was up against the yen on Wednesday after data showed a surprise pickup in the U.S. services industry in July, while hawkish comments from Federal Reserve officials this week also supported the greenback.

GBP: GBP/USD is expected to extend gains above 1.2170 as BOE rate hike will trim Fed-BOE policy divergence. BOE Andrew Bailey may announce a rate hike by 50 bps. The DXY has turned volatile on escalating Sino-US tensions. The GBP/USD pair has displayed a minor pullback after failing to recapture the 1.2170 hurdle. However, the upside remains favoured as the US dollar index (DXY) is likely to extend losses below 106.30. Broadly, the asset has resumed its upside move after a healthy correction to the round-level support of 1.2100.

EUR: EUR/USD is displaying back and forth moves around 1.0170 as investors await US jobs data. The US NFP is likely to land at 250k vs. 372k reported earlier. Vulnerable Eurozone Retail Sales data has been ignored by market participants. The EUR/USD pair is auctioning in a minute range of 1.0155-1.0176 as investors are shifting their focus to the US Nonfarm payrolls (NFP), which will release on Friday. Also, the US dollar index (DXY) is behaving like a nightmare for short-term investors due to its nasty moves.

INR: The Indian rupee fell to the weaker side of 79.50 to the dollar on Thursday, extending Wednesday's losses, on concerns over how the country will fund a record trade deficit.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.60			
GBP/KES	142.50	153.00	GBP/USD	1.2190	1.2210
EUR/KES	119.50	128.00	EUR/USD	1.0190	1.0195
INR/KES		1.6090	AUD/USD	0.6995	0.6960
			USD/INR	78.20	78.05
			Commodities		
			Gold	1770	1769
			Brent Crude	96.99	100.08

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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