

DAILY FOREX NEWSLETTER

Friday 5th August 2022

Local Markets:

The Kenya's shilling weakened to a new all-time low on Thursday as a pick-up in demand from the oil and manufacturing sectors ahead of general elections on Aug. 9 was not matched by inflows.

Top News:

- Oil languished near its lowest since the start of the war in Ukraine on Friday on fears of a global recession, though stocks ignored such worries, gaining ahead of U.S. jobs data that will give another clue to the health of the world's largest economy.
- Oil prices steadied in Asia trade on Friday, after hitting their lowest levels since before Russia's February invasion of Ukraine in the previous session, as the market juggled concerns of supply shortage and slower demand.

International Markets

USD: The dollar crept higher on Friday but struggled to recoup its losses after falling by its sharpest pace in two weeks, as investors remained on tenterhooks ahead of U.S. jobs data and amid growing worries about a recession.

GBP: GBP/USD prints mild losses while keeping the pullback from support-turned-resistance. 50-SMA guards immediate upside, 1.2080 appears a tough nut to crack for bears. MACD signals, sustained break of three-week-old ascending trend line keep seller's hopeful. GBP/USD licks its wounds around 1.2150 during early Friday morning in Europe. In doing so, the Cable pair retreats from the 50-SMA while fading the bounce off the 200-SMA.

EUR: EUR/USD has been dragged to near 1.0230 as DXY is picking bids ahead of the US NFP. US job market will increase at a diminishing rate as employment levels have reached their full capacity. The downbeat Retail Sales and German Factory Orders indicate a slowdown in Eurozone ahead. The EUR/USD pair has given a downside break of the inventory distribution formed in a narrow range of 1.0243-1.0254 in early Tokyo and has corrected to near 1.0230. The major is displaying exhaustion in the upside momentum and is likely to extend its correction as the US dollar index (DXY) has attempted a rebound after printing a low of 105.70 on Thursday.

INR: USD/INR keeps pullback from weekly high on RBI's action. RBI crossed the market forecast to increase Repo rate to 5.4%. US dollar tracks yields to consolidate the biggest daily loss in a week by snapping two-day downtrend. US NFP, China headlines and recession talks are the key for fresh impulse. USD/INR takes offers to refresh intraday low around 78.95 on the Reserve Bank of India's (RBI) Monetary Policy Meeting announcements during early Friday morning in Europe.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.80			
GBP/KES	142.50	152.85	GBP/USD	1.2185	1.2190
EUR/KES	120.20	128.80	EUR/USD	1.0265	1.0190
INR/KES		1.6080	AUD/USD	0.6995	0.6995
			USD/INR	78.25	78.20
			Commodities		
			Gold	1790	1770
			Brent Crude	94.35	96.99

T-Bills Rates:

Duration	Current	Previous
91 Days	8.473%	8.399%
182 Days	9.400%	9.392%
364 Days	9.920%	9.946%

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