

DAILY FOREX NEWSLETTER

Monday 8th August 2022

Local Markets:

The Kenya's shilling slipped to a new record low on Friday as central bank support ebbed in thin trade ahead of general elections on Aug. 9.

Top News:

- Asian share markets were mostly softer on Monday and the dollar held firm after a stunning U.S. payrolls report pushed back against talk of recession but also bolstered the case for more super-sized rate hikes.
- Oil prices dropped on Monday, hovering near multi-month lows, as recession fears hurt demand outlook and data pointed to a slow recovery in China's crude imports last month.

International Markets

USD: Most Asian currencies fell on Monday after mixed Chinese trade data raised concerns over demand in the country, while the dollar strengthened on expectations that the Federal Reserve will hike rates at a sharp clip next month.

GBP: GBP/USD aims for a downside establishment after the upbeat US NFP. Despite a lower consensus for US inflation, Fed's hawkish stance will remain intact. The UK is expected to display a subdued performance this week. The GBP/USD pair has declined gradually towards the immediate support of 1.2050 but is likely to extend losses after violating the immediate support. The cable is expected to reclaim its weekly lows near 1.2000 as the US dollar index (DXY) is expected to display a stellar performance ahead after the upbeat US Nonfarm Payrolls (NFP).

EUR: EUR/USD consolidates the first weekly loss in three, retreats from intraday high of late. Moody's cut Italy's credit rating amid political jitters, US NFP propelled hawkish Fed bets. US-China tension over Taiwan also underpins the US dollar's safe-haven demand. Intraday traders should focus on risk catalysts amid a light calendar. EUR/USD treads water after the recently downbeat performance as bears struggle to justify their strength amid a sluggish start to the key week. That said, the major currency pair seesaw around 1.0180-85 during early Monday morning in Europe

INR: USD/INR takes the bids to print four-day uptrend, renews daily high of late. Fed rate futures signal 73% chances of 0.75% rate hike in September after upbeat US jobs report for May. Recovery in oil prices test pair sellers cheering hawkish RBI moves. US CPI on Wednesday, India CPI on Friday will be crucial for short-term directions. USD/INR prints a four-day uptrend around 79.48 as the US dollar cheers hawkish Fed bets during early Monday morning in Europe. Also underpinning the Indian rupee (INR) pair's run-up is the recently firmer oil prices and the market's fears that the Reserve Bank of India's (RBI) rate hike appears less impactful.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.80			
GBP/KES	142.50	152.55	GBP/USD	1.2120	1.2185
EUR/KES	120.00	128.70	EUR/USD	1.0195	1.0265
INR/KES		1.6080	AUD/USD	0.6975	0.6995
			USD/INR	78.50	78.25
			Commodities		
			Gold	1772	1790
			Brent Crude	95.23	94.35

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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