

# DAILY FOREX NEWSLETTER

Monday 12th Sep 22

## Local Markets:

The Kenya's shilling was stable on Friday, but it forecast it to weaken on increased demand for dollars from oil marketing companies and manufacturers.

## Top News:

- Oil prices fell on Monday with the global fuel demand outlook overshadowed by Covid-19 restrictions in China and the potential for further interest rate hikes in the United States and Europe.
- The Nikkei 225 in Japan gained 1.06% in afternoon trade, while the Topix index advanced 0.66%. Travel stocks in Japan rose on reports that border measures may be eased further.

## International Markets

**USD:** Most Asian currencies moved little on Monday as caution kicked in ahead of key U.S. inflation data due this week, while the euro extended its rally on expectations of more sharp interest rate hikes by the European Central Bank.

**GBP:** GBP/USD remains side-lined after crossing the short-term key resistances. Mixed sentiment, pre-data anxiety and China's off restrict the Cable pair's latest moves. BOE delayed monetary policy meeting by a week on Queen's death. Monthly prints of UK data, US inflation will be crucial for short-term directions. GBP/USD grinds higher around 1.1625-30 as traders brace for the UK's data-filled week during early Monday. Even so, a softer US dollar and hopes of the faster rate hike from the Bank of England (BOE), mainly due to Liz Truss' election as the UK Prime Minister (PM), seem to keep the buyers hopeful. It should be noted that a week's delay by the BOE in its monetary policy decision also seems to restrict the Cable pair's latest moves

**EUR:** EUR/USD remains firmer for the second consecutive day as it battles 50-DMA hurdle. ECB hawks signal further tightening of monetary policy despite recession woes. Fed policymakers remained hopeful of higher rates before entering blackout period. China, Russia-linked headlines tests buyers amid sluggish session, US CPI is the key. EUR/USD grinds higher around 1.0090 during Monday's sluggish session as China's off and a light calendar joins pre-data anxiety. However, the recently hawkish comments from the European Central Bank (ECB) policymakers keep the pair buyer's hopeful.

**INR:** USD/INR remains sidelined around one-week low, retreats of late. Holiday in China, pre-data anxiety restricts intraday moves amid a light calendar. India CPI, output details will be crucial as RBI interventions appear less effective in limiting the upside. US consumer-centric data could entertain traders amid Fed blackouts. USD/INR portrays the market's inaction as it steadies around 79.60 during Monday's Asian session. That said, cautious sentiment ahead of the key data from India and the US joins China's holiday to restrict the Indian rupee (INR) pair's latest moves

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.90			
<b>GBP/KES</b>	137.00	146.50	<b>GBP/USD</b>	1.1645	1.1620
<b>EUR/KES</b>	119.00	127.30	<b>EUR/USD</b>	1.0140	1.0110
<b>INR/KES</b>		1.6050	<b>AUD/USD</b>	0.6860	0.6885
			<b>USD/INR</b>	78.40	78.70
			<b>Commodities</b>		
			<b>Gold</b>	1713	1720
			<b>Brent Crude</b>	91.55	89.90

## T-Bills Rates:

Duration	Current	Previous
91 Days	8.910%	8.860%
182 Days	9.599%	9.576%
364 Days	9.915%	9.876%

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