

DAILY FOREX NEWSLETTER

Wednesday 14th Sep 22

Local Markets:

The Kenya's shilling was stable in thin trade on Monday, and its next move would depend on who will make up the new cabinet after president-elect William Ruto is sworn in on Tuesday.

Top News:

- Shares in the Asia-Pacific dropped sharply on Wednesday after indexes on Wall Street plunged following a higher-than-expected U.S. consumer price index report for August.
- Gold prices edged lower on Wednesday after hotter-than-expected U.S. inflation data boosted the dollar and expectations that the Federal Reserve will continue on aggressive policy tightening path.

International Markets

USD: The U.S. dollar edged lower in early European trade ahead of the release of the hotly anticipated U.S. inflation data, which is likely to set the tone ahead of next week's Federal Reserve meeting.

GBP: GBP/USD pares the biggest daily slump in four months amid sluggish session. US dollar consolidates inflation-led rally amid mixed concerns, stimulus hopes. UK's Prince Charles question DUP stance on Brexit, shows readiness to help overcome inflation, energy crisis. UK CPI to stay worrisome in August, US PPI, consumer-centric data are also important ahead of next week's FOMC. GBP/USD licks US inflation-linked wounds around 1.1500 as the cable traders await the UK Consumer Price Index (CPI) data amid hawkish hopes from the Bank of England (BOE). In doing so, the quote pares the biggest daily decline since May during early Wednesday morning in Europe.

EUR: EUR/USD has displayed a short-lived pullback around 0.9960, more weakness is imminent. Soaring core CPI indicates a sheer rise in durable goods prices. Eurozone bulls have weakened amid rising pessimism in the trading bloc. The EUR/USD pair has picked bids around 0.9960 in the Asian session after nosediving from a high of around 1.0180. The asset witnessed an intense sell-off after surrendering the critical support of 1.0100 after the release of surprisingly higher-than-expected US inflation data. In the Asian session, the shared currency bulls have attempted a rebound but seem short-lived and sooner will resume a downside journey towards a 19-year low at 0.9864

INR: The Indian rupee declined to the dollar from the previous session after the dollar index jumped on bets that the surprise rise in U.S. inflation will prompt the Federal Reserve to keep raising rates aggressively.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.90			
GBP/KES	136.00	145.85	GBP/USD	1.1565	1.1645
EUR/KES	118.00	126.30	EUR/USD	1.0060	1.0140
INR/KES		1.5975	AUD/USD	0.6780	0.6860
			USD/INR	78.50	78.40
			Commodities		
			Gold	1703	1713
			Brent Crude	92.72	91.55

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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