

# DAILY FOREX NEWSLETTER

Friday 16th Sep 22

## Local Markets:

The Kenya's shilling was flat on Thursday, but was under some limited pressure as corporate clients and small and medium-sized enterprises sought dollars

## Top News:

- Asian markets were weaker on Friday as investors braced for a U.S. rate hike next week amid growing concerns of a global recession following warnings from the World Bank and the International Monetary Fund.
- Oil prices edged higher on Friday but were on track for a weekly decline amid fears of sharp interest rate hikes that would slam global growth and hit fuel demand.

## International Markets

**USD:** The U.S. dollar pushed higher in early European trade Thursday, with buyers returning ahead of next week's Federal Reserve meeting, while the yen struggled to hold the previous session's gains.

**GBP:** GBP/USD holds lower ground at the yearly low marked in the last week. Sluggish yields, short-term technical hurdle probes US dollar bulls ahead of data. Hawkish Fed bets jostle with the BOE concerns amid record high UK inflation expectations. UK Retail Sales for August, Preliminary Michigan CSI for September will offer immediate direction ahead of next week's FOMC. GBP/USD treads water around 1.1460 as bulls and bears jostle ahead of the key UK/US data on Friday. The Cable pair's latest inaction could also be linked to the recently increasing hawkish bias for the Bank of England (BOE), as well as the firmer odds of the Fed's aggression.

**EUR:** EUR/USD is juggling around 1.0000 as investors await US Michigan CSI data. An upbeat US Retail Sales data will strengthen the Fed in tightening policy further. The Eurozone energy crisis is deepening further ahead of the winter season. The EUR/USD pair is continuously oscillating around the critical figure of 1.0000 amid the unavailability of any potential trigger that could direct a decisive move. Generally, after falling like a house of cards, assets take sufficient time to build a ground for decisive moves. Considering the unavailability of a decent pullback move, the asset is expected to deliver a downside break.

**INR:** The rupee crashed early on Friday against a surging dollar on expectations of a jumbo-sized Federal Reserve rate hike next week and warnings from big world institutions of a recession in major economies.

## 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>	136.00	144.80	<b>GBP/USD</b>	1.1510	1.1555
<b>EUR/KES</b>	118.00	126.30	<b>EUR/USD</b>	1.0040	1.0020
<b>INR/KES</b>		1.5975	<b>AUD/USD</b>	0.6755	0.6785
			<b>USD/INR</b>	78.75	78.53
			<b>Commodities</b>		
			<b>Gold</b>	1664	1688
			<b>Brent Crude</b>	91.21	93.97

## T-Bills Rates:

Duration	Current	Previous
91 Days	8.950%	8.910%
182 Days	9.615%	9.599%
364 Days	9.915%	9.915%

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