

DAILY FOREX NEWSLETTER

Monday 19th Sep 22

Local Markets:

The Kenya's shilling was unchanged on Friday, in a quiet market where dollar supply matched demand from oil marketers and general goods importers.

Top News:

- Share markets idled in Asia on Monday as investors braced for a week littered with 13 Central Bank meetings that are certain to see borrowing costs rise across the globe and some risk of a super-sized hike in the United States.
- Oil prices climbed on Monday as a weaker dollar and supply concerns ahead of the European Union embargo on Russian oil in December offset fears of a global recession that could dampen fuel demand.

International Markets

USD: China's yuan sank further below key levels on Monday after more monetary easing in the country, while broader Asian currencies tumbled in anticipation of a Federal Reserve meeting later this week

GBP: A drop below a fresh two-year low at 1.1350 will drag the asset into uncharted territory. Declining 10-and 20-EMAs adds to the downside filters. The RSI (14) is oscillating in the bearish range of 20.00-40.00. The GBP/USD pair is displaying a less-confident pullback after a rebound from a fresh two-year low at 1.1350, recorded last week. The cable is expected to remain in the grip of bears and will display more weakness after dropping below the critical support of 1.1350.

EUR: EUR/USD has slipped below the 1.0000 parity on soaring hawkish Fed bets. The DXY has advanced despite Goldman Sachs having posted a bleak growth outlook. Further rate hike announcements by the ECB will cause more pain to customers. The EUR/USD pair has slipped below the magical figure of 1.0000 as the US dollar index (DXY) has advanced amid soaring bets on a bumpers rate hike by the Federal Reserve (Fed). The asset has declined sharply after failing to overstep Friday's high at 1.0036. The major is expected to remain on the tenterhooks ahead.

INR: The rupee was subdued early on Monday even as the dollar hovered roughly 1 per cent below a two-decade top versus major rivals, as investors eye a slew of Central Bank meetings this week, with the Federal Reserve headlining widespread interest.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.95			
GBP/KES	135.10	143.90	GBP/USD	1.1440	1.1510
EUR/KES	118.05	126.25	EUR/USD	1.0020	1.0040
INR/KES		1.5975	AUD/USD	0.6745	0.6755
			USD/INR	78.61	78.75
			Commodities		
			Gold	1668	1664
			Brent Crude	91.90	91.21

T-Bills Rates:

Duration	Current	Previous
91 Days	8.950%	8.910%
182 Days	9.615%	9.599%
364 Days	9.913%	9.915%

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

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.