

DAILY FOREX NEWSLETTER

Thursday 1st September 22

Local Markets:

The Kenya's shilling was stable on Wednesday, and it was forecast to lose ground due to increased demand for dollars from the energy and manufacturing sectors.

Top News:

- Asian stocks slid and the dollar spiked on Thursday as investors greeted September by selling everything that was not nailed down after a month battered by concerns about aggressive rate hikes from global policymakers.
- Oil prices fell in early Asian trade on Thursday, led lower by increased supply and worries that the global economy could slow further with renewed restrictions to curb COVID-19 in China.

International Markets

USD: The U.S. dollar drifted lower in early European trade, retreating from the 20-year peak seen earlier in the week as a nascent rebound in the euro gathers pace.

GBP: Lower tilted 20-and 50-EMAs add to the downside filters. A symmetrical triangle breakdown has underpinned the greenback bulls. The RSI (14) has shifted into the bearish range of 20.00-40.00. The GBP/USD pair has displayed a vulnerable performance after surrendering the critical support of 1.1600 in the Asian session. The cable is declining vigorously and has printed an intraday low of 1.1571 as long-term inflation expectations have soared. As per Citi, the inflation expectations for a 10-year period have advanced to 4.8% against the desired rate of 2% by the Bank of England.

EUR: EUR/USD is juggling in an 11-pips range, downside remains favoured amid firmer DXY. Investors have trimmed manufacturing PMI forecasts due to rising interest rates by the Fed. A jumbo rate hike by the ECB looks likely as eurozone HICP has landed higher-than-expected at 9.1%. The EUR/USD pair has turned sideways as investors are awaiting the release of the US ISM Manufacturing PMI data. The asset is oscillating in a narrow range of 1.0020-1.0031 in the Asian session after a downside move from Wednesday's high at 1.0076.

INR: USD/INR holds lower ground at two-week low, sidelined of late. Chatters surrounding India GDP, New Delhi's likely inclusion in global bond markets defend bears. Risk-aversion, increasing bets on 0.75% Fed rate hike in September favor upside momentum. US data, China headlines can entertain traders ahead of NFP. USD/INR pares recent losses around 79.60 as bulls and bears jostle amid mixed catalysts, snapping a two-day downtrend, ahead of Thursday's European open. In doing so, the Indian rupee pair pays little heed to the latest positives surrounding the Indian economic growth and bond market expectations, as well as softer US data.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.90			
GBP/KES	137.00	146.30	GBP/USD	1.1576	1.1705
EUR/KES	118.20	126.40	EUR/USD	1.0065	1.0080
INR/KES		1.6050	AUD/USD	0.6855	0.6895
			USD/INR	78.85	78.90
			Commodities		
			Gold	1703	1724
			Brent Crude	95.11	100.25

T-Bills Rates:

Duration	Current	Previous
91 Days	8.767%	8.669%
182 Days	9.532%	9.492%
364 Days	9.910%	9.909%

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