

DAILY FOREX NEWSLETTER

Thursday 22nd Sep 22

Local Markets:

The Kenya's shilling was little changed on Wednesday, and it was expected it to ease, undermined by dollar demand from manufacturing and oil companies and general goods importers.

Top News:

- Asia markets traded lower on Thursday after the U.S. Federal Reserve raised interest rates and signaled further hikes ahead. U.S. stocks were volatile and closed sharply lower following the announcement.
- Oil rebounded on Thursday after sliding 1% in the previous session as concerns over tight supplies heading into winter eclipsed fears of a global recession.

International Markets

USD: The U.S. dollar jumped to a new 20-year high against a basket of currencies on Thursday, extending gains after the Federal Reserve raised interest rates and struck a more hawkish than expected tone in its latest meeting.

GBP: GBP/USD bears keep reins at the lowest levels in 37 years amid broad US dollar strength, pre-BOE anxiety. Fed, Russia propel DXY, yields ahead of a slew of central bank decisions. BOE could surprise markets with 75 bps rate hike, but Cable sellers may not react too strongly amid risk-off mood. GBP/USD slumped to the fresh 37-year low near 1.1220 before licking its wounds around 1.1230 during early Thursday morning in Europe. In doing so, the Cable pair justifies the broad US dollar strength amid the risk-aversion while also portraying the market's pessimism ahead of the Bank of England's (BOE) monetary policy meeting.

EUR: EUR/USD has sensed a sigh of relief after dropping to near 0.9813. Extreme hawkish guidance from the Fed has demolished the shared currency bulls. Russian military threat to use nuclear weapons has underpinned the risk-off impulse. The EUR/USD pair is displaying a lack of selling pressure while re-testing Wednesday's low at 0.9813 in the Tokyo session. The asset has turned sideways which could be considered as an intraday inventory accumulation, which could ditch the downside momentum for a while. On a broader note, the major witnessed a steep fall after delivering a downside break of the consolidation formed in a 0.9950-1.0050 range.

INR: The rupee weakened to a new record low early on Thursday as the greenback climbed to a fresh two-decade high after the US Federal Reserve hiked interest rates and projected a more aggressive policy path in the current tightening cycle

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	133.00	142.50	GBP/USD	1.1280	1.1400
EUR/KES	116.25	124.30	EUR/USD	0.9860	1.0010
INR/KES		1.5875	AUD/USD	0.6640	0.6695
			USD/INR	79.10	78.80
			Commodities		
			Gold	1660	1663
			Brent Crude	90.13	90.83

T-Bills Rates:

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

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