

# DAILY FOREX NEWSLETTER

Friday 23rd Sep 2022

## Local Markets:

The Kenya's shilling weakened on Thursday due to increased dollar demand from oil importers and a strengthening of the dollar globally.

## Top News:

- Asia-Pacific shares fell on Friday as investors continue to weigh the Federal Reserve's aggressive stance.
- Oil prices rose in early Asian trade on Friday on the prospect that a stalled Iran nuclear agreement and Moscow's new mobilization campaign in its invasion of Ukraine would further restrict global supplies.

## International Markets

**USD:** Most Asian currencies fell further on Friday and were headed for steep weekly losses as hawkish signals from the U.S. Federal Reserve boosted the dollar, while government intervention in currency markets supported the Japanese yen.

**GBP:** GBP/USD is holding itself above 1.1250 as the impact of hawkish Fed policy has started fading away. The BOE has pushed its interest rates to 2.25, the highest since 2008. BOE's denial of an aggressive policy approach seems the weak economic fundamentals. The GBP/USD pair is displaying a lacklustre performance after declining from the critical resistance of 1.1350 in the early Asian session. The cable is oscillating in a narrow range of 1.1250-1.1266 and is expected to continue the volatility contraction pattern ahead of the PMIs data. Earlier, the asset rebounded firmly after sensing a decent buying interest of around 1.1200. The decline moves from 1.1350 is a corrective move, which seems to conclude sooner, and an upside journey will resume.

**EUR:** EUR/USD looks south towards 0.9800 as US dollar bulls regain poise. Treasury yields cling to recent gains hawkish Fed outlook, Powell eyed. Ascending triangle breakdown on 1D suggests more declines for EUR/USD. EUR/USD is dropping towards 0.9800 heading towards early European morning, as the US dollar is breaking its consolidative mode to the upside.

**INR:** The rupee depreciated to a fresh low against the US dollar on Friday as sentiment for the domestic currency remained weak in the face of a rapidly strengthening greenback. The dollar has surged globally over the last couple of days as the Federal Reserve has signaled a longer-than-expected 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	1.1265	1.1280
EUR/KES	116.25	124.30	EUR/USD	0.9855	0.9860
INR/KES		1.5875	AUD/USD	0.6655	0.6640
			USD/INR	80.05	79.10
			Commodities		
			Gold	1667	1660
			Brent Crude	89.90	90.13

## T-Bills Rates:

Duration	Current	Previous
91 Days	8.951%	8.950%
182 Days	9.625%	9.615%
364 Days	9.909%	9.913%

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