

DAILY FOREX NEWSLETTER

Wednesday 28th Sep 2022

Local Markets:

The Kenya's shilling recovered after touching fresh low against the dollar on Tuesday, as hard currency end-month demand from manufacturers and oil importers outstripped supply.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	126.10	135.20	GBP/USD	1.0695	1.0785
EUR/KES	113.10	120.80	EUR/USD	0.9595	0.9668
INR/KES		1.5650	AUD/USD	0.6425	0.6495
			USD/INR	80.70	80.50
			Commodities		
			Gold	1624	1631
			Brent Crude	85.27	84.64

T-Bills Rates:

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

Top News:

- Asian share markets tumbled on Wednesday as surging borrowing costs intensified fears of a global recession, spooking investors into the arms of the safe-haven dollar, and driving the Chinese yuan to record lows.
- Oil prices fell more 1% on Wednesday, pressured by a strengthening dollar and crude storage builds that offset support from U.S. production cuts caused by Hurricane Ian.

International Markets

USD: Asian currencies plummeted on Wednesday, while the dollar surged to new 20-year highs on hawkish comments from Federal Reserve officials and growing haven demand.

GBP: GBP/USD takes offers to refresh intraday low, reverses the previous day's corrective bounce. Downbeat comments surrounding UK's economic plans from WH Adviser Deese, IMF weigh on prices. Strong yields propel US dollar amid hawkish Fed speak, firmer data. Statements from Fed, BOE policymakers could offer additional guidance, further downside expected. GBP/USD remains on the back foot while reversing the previous day's corrective bounce, taking offers near 1.0630 during early Wednesday morning in Europe. In doing so, the Cable pair respects the US dollar's latest run-up amid the rush for risk safety, as well as downbeat economic prospects for the UK.

EUR: EUR/USD takes offers to refresh multi-year low during seven-day downtrend. US Treasury yields rally to fresh cycle highs amid fears of economic slowdown, hawkish central banks. Energy crisis in Eurozone joins fears of more drama on the Russia-Ukraine issue to keep bears hopeful. Speeches from ECB's Lagarde, Fed's Powell eyed for further direction while keeping bearish bias. EUR/USD stands on slippery grounds as it drops to the fresh low since June 2002 during early Wednesday morning in Europe, taking offers near 0.9550 by the press time.

INR: The Indian rupee weakened 0.4% versus the U.S. dollar, as U.S. yields surged, and the greenback strengthened. The Indian Central Bank likely sold dollars via state-run banks.

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