

DAILY FOREX NEWSLETTER

Friday 2nd September 22

Local Markets:

The Kenya's shilling weakened on Thursday, undermined by increased importer dollar demand, especially from oil marketing companies.

Top News:

- Pacific shares were mixed on Friday as investors look ahead to the U.S. jobs report for August, a key indicator before the Federal Reserve's next interest rate decision later this month.
- Oil prices climbed on Friday on bets that OPEC+ will discuss output cuts at a meeting on Sept. 5, but the benchmarks were still on track to post their worst weekly drop in four on fears Covid-19 curbs in China and weak global growth will hit demand.

International Markets

USD: The dollar index vaulted to a 20-year high on Thursday and notched a 24-year peak against the rate-sensitive Japanese yen, after U.S. data showed a resilient economy, giving the Federal Reserve more room to aggressively hike interest rates to quell inflation.

GBP: The falling channel formation has already underpinned the greenback bulls. Huge deviation in declining 20-and 50-EMAs indicates the strength of the downside momentum. A downside move below 1.1500 may drag the cable towards 1.1400. The GBP/USD pair is displaying a lacklustre performance in the Asian session as investors are preparing for the US Nonfarm Payrolls (NFP) event. The cable is oscillating in a narrow range of 1.1540-1.1560, however, the downside remains favoured amid an overall bearish context. Earlier, the asset refreshed its 29-months low after declining to near the psychological support of 1.150

EUR: EUR/USD pares the biggest daily fall in seven weeks amid pre-NFP consolidation. Yields keep DXY on bull's radar despite latest pullback from two-decade high. Hawkish money market bets on ECB rate hike, hopes of overcoming the bloc's energy crisis to limit downside. US NFP signals softer readings for August, suggesting USD run-up on positive surprise. EUR/USD licks its wounds around 0.9960-65, after posting the biggest daily fall in nearly two months, as traders await the all-important US Nonfarm Payrolls (NFP) during early Friday morning in Europe. In addition to the market's preparations for the US jobs report for August, recently hawkish concerns over the European Central Bank (ECB) also underpins the corrective pullback.

INR: USD/INR fades bounce off two-week low amid pre-NFP anxiety. Moody's cut India's growth forecast for 2022, yields favour DXY strength. Rebound in oil prices jostle with RBI's defensive play to add to the trading filters. US jobs report bears downbeat forecasts for August, tests pair buyers. USD/INR retreats towards 79.50 during Friday's Asian session, fading the bounce off a fortnight low, as traders await the US Nonfarm Payrolls (NFP) amid a light calendar and mixed clues. That said, the market's consolidation also underpinned the quote's latest pullback.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.90			
GBP/KES	136.80	146.00	GBP/USD	1.1580	1.1576
EUR/KES	118.20	126.00	EUR/USD	0.9995	1.0065
INR/KES		1.6050	AUD/USD	0.6810	0.6855
			USD/INR	78.87	78.85
			Commodities		
			Gold	1698	1703
			Brent Crude	94.20	95.11

T-Bills Rates:

Duration	Current	Previous
91 Days	8.86%	8.767%
182 Days	9.576%	9.532%
364 Days	9.876%	9.910%

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