

DAILY FOREX NEWSLETTER

Friday 30th Sep 2022

Kenya's shilling weakened slightly on Thursday as dollar demand from fuel importers and smaller companies outpaced supply.

Top News:

- Oil prices were little changed in early trade on Friday but headed for their first weekly gain in five weeks, underpinned by a weaker U.S. dollar and the possibility that OPEC+ may agree to cut crude output when it meets on Oct. 5.
- Sterling rose to a fresh one-week high on Friday, helping to push the U.S. dollar index to a one-week low, as British policymakers moved to undo some of the damage caused by last week's tax-slashing, debt-swelling fiscal plan.

International Markets

USD: Sterling rose sharply in volatile trading on Thursday, rallying from record lows hit on Monday, after the Bank of England conducted a second day of bond buying to stabilize financial markets.

GBP: GBP/USD struggles to extend two-week-old resistance breakout as 100-EMA tests buyers. Pre-data anxiety, nearly overbought RSI (14) challenge immediate upside. Sellers need validation from two-day-old support, scheduled data to retake control. GBP/USD struggles for clear directions around the weekly top after a three-day uptrend as traders await the key statistics from the US and the UK during Friday. That said, the quote currently seesaws between the 100-EMA and the resistance-turned-support line while taking rounds to 1.1120.

EUR: EUR/USD retreats from the short-term key hurdle to snap two-day uptrend. Market sentiment remains dicey, but yields stay firmer amid fears of recession. ECB hawks battle upbeat Fed speak to defend the recovery despite the energy crisis in the bloc. Firmer US inflation gauge may add strength to the pullback moves. EUR/USD takes offers to renew intraday low around 0.9800 as bulls take a breather after a two-day uptrend around the weekly top. Even so, the major currency pair remains positive on a weekly basis, snapping a two-week downtrend. The quote's latest weakness could be linked to the cautious sentiment ahead of the key inflation numbers from Eurozone and the US.

INR: The Indian rupee rose against the dollar on Friday, ahead of the Reserve Bank of India's policy review that takes place amid mounting pressure on the local unit.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	132.00	140.90	GBP/USD	1.1190	1.0855
EUR/KES	116.00	124.20	EUR/USD	0.9880	0.9725
INR/KES		1.5750	AUD/USD	0.6555	0.6525
			USD/INR	80.30	80.73
			Commodities		
			Gold	1663	1648
			Brent Crude	88.14	88.83

T-Bills Rates:

Duration	Current	Previous
91 Days	8.952%	8.951%
182 Days	9.631%	9.625%
364 Days	9.905%	9.909%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.