

DAILY FOREX NEWSLETTER

Wednesday 6th Sep 22

Local Markets:

The Kenya's shilling was steady on Tuesday, and it was forecast to weaken due to increased demand for dollars from general merchandise importers.

Top News:

- Markets in Asia-Pacific traded lower on Wednesday as investors anticipate the Federal Reserve to give its summary on current economic conditions, also known as the Beige Book.
- Oil prices fell on Wednesday as Covid-19 curbs in top crude importer China and expectations of further interest rate hikes fanned concerns of a global economic recession and lower fuel demand growth.

International Markets

USD: The dollar hit a 24-year peak against the yen and reached new highs versus the Australian and New Zealand dollars on Wednesday after U.S. economic data reinforced the view that the Federal Reserve will continue aggressive policy tightening.

GBP: GBP/USD extends the previous day's pullback towards four-month-old support line. Oversold RSI (14), lower line of the monthly bearish channel acts as additional downside filters. 10-DMA guards immediate upside, buyers need validation from July's low. GBP/USD holds lower grounds near the two-year bottom, marked on Monday, as bears flirt with the 1.1450 while flashing the biggest daily loss in a week. With this, the Cable pair approaches the latest low near 1.1443 heading into Wednesday's London open.

EUR: EUR/USD has slipped to near 0.9880 as the DXY has strengthened after a rebound in Services PMI. Investors should brace for a 50-bps rate hike announcement by the ECB. The Eurozone energy crisis will deepen further as the winter season will have more gas demand. The EUR/USD pair has dropped to near 0.9880 as the US dollar index (DXY) has strengthened after a fresh rally kicked in. The asset extended its losses in the Asian session after surrendering the round-level support of 0.9900. Considering the overall context, the asset is expected to print fresh lows in no time.

INR: The Indian rupee weakened 0.01%, trading lower to the dollar compared to the previous session, as it tracked a broad decline in Asian currencies on the likelihood of a 75 basis Fed rate hike this month

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.90			
GBP/KES	136.00	145.00	GBP/USD	1.1520	1.1595
EUR/KES	117.20	125.00	EUR/USD	0.9935	0.9985
INR/KES		1.6050	AUD/USD	0.6745	0.6845
			USD/INR	78.90	78.87
			Commodities		
			Gold	1695	1715
			Brent Crude	91.45	95.07

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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