

# DAILY FOREX NEWSLETTER

Thursday 7th Sep 22

## Local Markets:

The Kenya's shilling was little changed on Wednesday, and it was expected to lose ground due to increased dollar demand from the energy and manufacturing sectors.

## Top News:

- Markets in Asia-Pacific were mixed following Wall Street's solid rebound rally overnight in the best day since Aug. 10 for all three averages. Investors will also be closely watching Federal Reserve Chair Jerome Powell's speech Thursday as markets brace for another 75 basis-point hike later this month.
- Oil prices fell by more than \$4 on Wednesday to their lowest since Russia invaded Ukraine on demand fears stoked by looming recession risks and downbeat Chinese trade data.

## International Markets

**USD:** Most Asian currencies moved in a flat-to-low range on Thursday as the dollar came off 20-year highs, with focus turning to an upcoming European Central Bank meeting for more cues on global monetary policy tightening.

**GBP:** GBP/USD stays defensive after bouncing off the lowest levels since 1985. Four-month-old bearish channel's bottom adds strength to the 1.1400 support. Bearish MACD signals keep seller's hopeful, RSI hints at corrective pullback. Buyers need validation from 29-month-old horizontal resistance to keep reins. GBP/USD clings to mild losses around 1.1510 while fading the previous day's bounce off the 37-year low during Thursday's Asian session.

**EUR:** EUR/USD treads water after bouncing off 19-year low. Anxiety ahead of ECB's rate hike, Powell's speech restricts latest moves. European energy crisis keeps bears hopeful even if ECB turns hawkish. Fed Chair Powell's capacity to defend rate hikes will be eyed for further US dollar strength. EUR/USD portrays the typical pre-event anxiety as it takes rounds to 0.9990-1.000 during early Thursday morning in Europe. Also keeping pair traders on the edge is the mixed nature of the latest risk catalysts and sluggish yields of late.

**INR:** USD/INR snapped two-day downtrend as US dollar regains upside momentum ahead of the key events. Oil prices also rebound from multi-day low, exerting downside pressure on rupee. RBI's stance joins downbeat oil prices in the last few days to keep bears hopeful. Powell needs to win ECB vs. Fed battle to defend DXY bulls. USD/INR prints mild gains around 79.70 while consolidating the two-day losses during the initial Indian trading session on Thursday. In doing so, the Indian rupee (INR) pair takes clues from the market's rush toward the US dollar amid a cautious mood ahead of the key events.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	125.90			
<b>GBP/KES</b>	136.00	145.60	<b>GBP/USD</b>	1.1540	1.1520
<b>EUR/KES</b>	117.20	126.40	<b>EUR/USD</b>	1.0040	0.9935
<b>INR/KES</b>		1.6050	<b>AUD/USD</b>	0.6780	0.6745
			<b>USD/INR</b>	78.80	78.90
			<b>Commodities</b>		
			<b>Gold</b>	1715	1695
			<b>Brent Crude</b>	88.77	91.45

## 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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