

DAILY FOREX NEWSLETTER

Friday 8th Sep 22

Local Markets:

The Kenya's shilling was stable on Thursday with dollar inflows from non-governmental organizations matching importer demand.

Top News:

- Markets in Asia-Pacific were higher as investors digested Federal Reserve Chair Jerome Powell's latest comments as he vowed to raise rates to tackle inflation "until the job is done."
- Oil prices turned down in early trade on Friday after a slight rebound in the previous session, leaving them set to fall for a second straight week on worries that central banks' aggressive rate hikes and China's Covid-19 curbs will hurt demand.

International Markets

USD: Most Asian currencies crept higher on Friday and were set to end the week largely unchanged as the dollar retreated from a 20-year peak. But hawkish comments from U.S. Federal Reserve Chair Jerome Powell kept investors wary of further losses in Asian markets, amid rising expectations of steep interest rate hikes by the central bank.

GBP: GBP/USD prints the biggest daily gains in a month amid broad US dollar weakness, optimism at home. Hopes from newly appointed UK PM Truss favor Cable, especially after the latest UK energy plan. US Dollar Index drops to one-week low even as Fed's Powell, Evans favored more rate hikes. Last round of Fed speak before blackout period will be crucial, UK Consumer Inflation Expectations are important too. GBP/USD takes the bids to refresh intraday high near 1.1600 heading into Friday's London open as the risk-on mood weighs on the US dollar. Also keeping the Cable pair buyer's hopeful is the recent positive sentiment in the UK after newly appointed Prime Minister (PM) Liz Truss works on her promises made during the campaigns

EUR: EUR/USD is attempting to kiss the round-level resistance of 1.0100 as DXY has plunged. The DXY is declining on expectations of a consecutive drop in the US inflation rate. ECB's 75 bps rate hike announcement has trimmed Fed-ECB policy divergence. The EUR/USD pair has displayed a juggernaut rally in the Asian session after overstepping the 1.0000 parity with significant force. The asset has refreshed its intraday high at 1.0080 and more gains are expected ahead of the speech from European Central Bank (ECB) Christine Lagarde. The major is witnessing a bullish open-drive trading session in which every pullback is considered as a buying opportunity for the market participants.

INR: USD/INR takes offers to renew one-week low, ignores the previous day's corrective pullback. Firmer sentiment in Asia underpins bullish bias for Rupee, broad risk-on mood, sluggish yields weigh on USD. Recovery in oil prices, hawkish Fed speak could restrict downside moves amid a light calendar. USD/INR takes offers to refresh the weekly low around 79.57 during the initial hour of the Indian trading session on Friday. In doing so, the Indian rupee (INR) pair cheers the broad US dollar weakness, as well as upbeat sentiment in Asia.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	125.90			
GBP/KES	137.00	146.50	GBP/USD	1.1620	1.1540
EUR/KES	119.00	127.30	EUR/USD	1.0110	1.0040
INR/KES		1.6050	AUD/USD	0.6885	0.6780
			USD/INR	78.70	78.80
			Commodities		
			Gold	1720	1715
			Brent Crude	89.90	88.77

T-Bills Rates:

Duration	Current	Previous
91 Days	8.910%	8.860%
182 Days	9.599%	9.576%
364 Days	9.915%	9.876%

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