

# DAILY FOREX NEWSLETTER

Wednesday 12th Oct 2022

The Kenyan shilling traded flat on Tuesday with very low volumes moving on the market.

Kenya's economy grew by 5.2% in the second quarter of this year compared with 11.0% in the same period last year, the statistics office said on Tuesday.

### Top News:

- Asian stocks wallowed at two-year lows on Wednesday, after a strengthening dollar, instability in the U.K. bond market, and upcoming U.S. inflation data spelled a wild session on Wall Street and further volatility for investors.
- Oil prices fell for a third straight session on Wednesday as investors fretted about a hit to fuel demand from growing risks of a global recession and tightening COVID-19 curbs in China.

### International Markets

**USD:** Asian currencies fell further on Wednesday amid growing fears of a global recession, while the dollar continued its ascent on haven demand and in anticipation of more U.S. economic cues

**GBP:** The pound dives below 1.1000 on the back of BoE Bailey's comments. Unprecedented volatility in the long end of the gilt market. GBP/USD: Below 1.0905, the next target might be 1.0540 – BBH. The British pound has extended its reversal from session highs near 1.1180 to hit lows at 1.0965 after BoE Governor Andrew Bailey spooked investors, revealing the latest monetary policy measures to stabilize the financial system.

**EUR:** EUR/USD has refreshed its day's high at 0.9734 amid an intraday knee-jerk reaction in the DXY. US President Joe Biden sees only a slight recession situation ahead. Risk sentiment is shifting towards a positive trajectory as yields drop to near 3.9%. The EUR/USD pair has climbed above the immediate hurdle of 0.9700 sharply and has refreshed its day's high at 0.9734 in the Tokyo session. The risk profile is still averse as S&P500 futures are still consolidating.

**INR:** The Indian rupee INR=IN ticked up per dollar compared to its previous close as investors took fewer risks ahead of domestic inflation data, with the Reserve Bank of India suspected to be intervening in the markets.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	126.00			
<b>GBP/KES</b>	130.10	139.00	<b>GBP/USD</b>	1.1020	1.1060
<b>EUR/KES</b>	114.60	122.80	<b>EUR/USD</b>	0.9745	0.9730
<b>INR/KES</b>		1.5500	<b>AUD/USD</b>	0.6297	0.6495
			<b>USD/INR</b>	81.19	81.30
			<b>Commodities</b>		
			<b>Gold</b>	1668	1665
			<b>Brent Crude</b>	93.90	95.92

### T-Bills Rates:

Duration	Current	Previous
91 Days	9.036%	8.952%
182 Days	9.639%	9.631%
364 Days	9.905%	9.905%

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.