

DAILY FOREX NEWSLETTER

Thursday 13th Oct 2022

The Kenyan shilling was steady against the dollar in quiet trading on Wednesday with supply and demand evenly matched.

Top News:

- Asian stocks followed Wall Street lower and bond yields remained depressed on Thursday as investors weighed the risks of global recession amid hawkish Federal Reserve rhetoric and uncertainty about the Bank of England's commitment to stabilizing markets.
- Oil prices struggled to find their footing in Asian trade on Thursday after easing in the previous session on the back of a weakening global demand outlook.

International Markets

USD: Asian currencies kept to a tight range on Thursday as fears of a hawkish Federal Reserve grew ahead of key data that is expected to show U.S. CPI inflation stayed close to 40-year highs

GBP: GBP/USD bulls are taking the control back with eyes on a key daily resistance line. The bulls need to get above 1.1150 for prospects of a break into the 1.1200s and higher. The pound is in recovery mode, breaking through last week's lows of 1.1055 and is now penetrating into the 1.1100 (New York equities open high) area in Asia

EUR: EUR/USD has slipped to near 0.9700 as a rebound in the risk-off impulse has weighed pressure. As per the CME Fed Watch tool, chances for a 75-bps rate hike have sky-rocketed to 84%. ECB policymaker is looking to exploit interest rates further to support quantitative tightening. The EUR/USD pair has slipped to near 0.9700 after attempting to overstep the immediate hurdle of 0.9720 in the Tokyo session. The asset has sensed pressure as the US dollar index (DXY) has recovered its entire morning losses and is hovering around 113.30

INR: USD/INR snaps three-day downtrend amid firmer yields, US dollar. Five-month high India inflation fails to push RBI hawks. US Dollar's safe-haven demand, upbeat US fundamentals versus India favor pair buyers. Any disappointment from US CPI will have limited repercussions on DXY's broad fundamental strength. USD/INR picks up bids while paring the first weekly loss in four ahead of Thursday's European session. In doing so, the Indian rupee (INR) pair traces firmer US Treasury yields ahead of the US inflation numbers for September.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	130.80	140.20	GBP/USD	1.1135	1.1020
EUR/KES	114.60	122.80	EUR/USD	0.9755	0.9745
INR/KES		1.5480	AUD/USD	0.6345	0.6297
			USD/INR	81.25	81.19
			Commodities		
			Gold	1668	1668
			Brent Crude	92.49	93.90

T-Bills Rates:

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

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