

# DAILY FOREX NEWSLETTER

Friday 14th Oct 2022

The Kenya's shilling eased slightly on Thursday as dollar demand from fuel importers outpaced supply.

### Top News:

- Asian shares tracked Wall Street higher on Friday, although gains could quickly unwind as investors grapple with the reality that surging U.S. inflation will likely lead to higher interest rates for longer, hastening a global recession.
- Oil prices reversed earlier losses and inched up in Asian trade on Friday, supported by a weaker U.S. dollar and as diesel inventories fell, while Saudi Arabia and Washington continued to clash over plans by OPEC+ to slash production.

### International Markets

**USD:** Most Asian currencies fell on Friday and were set to end the week lower as hotter-than-expected U.S. inflation drove up fears of more hawkish interest rate hikes by the Federal Reserve in the coming months.

**GBP:** GBP/USD struggles to extend gains, seesaws around weekly top. Chatters over UK PM Truss' tax cut plans, Kwartang's return to London keep traders on dicey floor. Softer yields weigh on DXY, but GBP bulls await US consumer-centric data for fresh impulse. Fears of disappointment from the UK policymakers, US data suggest further challenges for buyers. GBP/USD treads water around 1.1330, snapping a two-day rebound from the weekly as buyers await the key catalysts during early Friday in Europe.

**EUR:** EUR/USD pokes 10-DMA hurdle around weekly high, up for the second consecutive day. Softer yields exert additional downside pressure on DXY. ECB policymakers discuss balance sheet normalization during early 2023. Firmer US data may not guarantee bear's return, especially after the US CPI-induced play. EUR/USD eyes weekly gain around 0.9800, especially after Thursday's tragic rebound from the fortnight low, as traders await the key US consumer-centric data on Friday.

**INR:** USD/INR is looking to extend the previous rebound amid hawkish Fed bets. Investors await India's inflation after hotter CPI data from the US. The pair eyes daily close to confirming a rising wedge breakdown. USD/INR is looking to build on Thursday's late-rebound on the final trading day of the week, as the US dollar attempts a tepid bounce despite weaker Treasury yields and an extended risk-on rally in the Asian stocks.

### 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> | 133.00 | 143.10  | <b>GBP/USD</b>     | 1.1355 | 1.1135   |
| <b>EUR/KES</b> | 115.60 | 123.65  | <b>EUR/USD</b>     | 0.9825 | 0.9755   |
| <b>INR/KES</b> |        | 1.5480  | <b>AUD/USD</b>     | 0.6365 | 0.6345   |
|                |        |         | <b>USD/INR</b>     | 81.34  | 81.25    |
|                |        |         | <b>Commodities</b> |        |          |
|                |        |         | <b>Gold</b>        | 1667   | 1668     |
|                |        |         | <b>Brent Crude</b> | 94.61  | 92.49    |

### T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days  | 9.058%  | 9.036%   |
| 182 Days | 9.656%  | 9.639%   |
| 364 Days | 9.910%  | 9.905%   |
|          |         |          |

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