

DAILY FOREX NEWSLETTER

Monday 17th Oct 2022

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

Top News:

- Oil prices rose in thin trade in early Asian hours on Monday as the U.S. dollar's strength eased while investors awaited data from China to gauge demand at the world's top crude oil importer.
- Shares in the Asia-Pacific fell on Monday as recession fears weigh in over expectations of continued tighten monetary policies around the world.

International Markets

USD: Asian currencies rose slightly on Monday, recovering some lost ground from last week as the dollar retreated, although China's commitment to maintaining its strict zero-COVID policy dented the yuan.

GBP: GBP/USD has sensed selling pressure amid attempting to cross the immediate hurdle of 1.1250. Soaring bets for a 75-bps rate hike by the Fed have trimmed risk appetite. Investors await more clarity over UK's political drama to make informed decisions. The GBP/USD pair has picked offers in the Tokyo session firmly as the risk-on mood has started fading. The kick-start of the US quarterly earnings season delivered a rebound move in S&P500 on Monday after a bearish Friday but has eased some gains now.

EUR: EUR/USD picks up bids to reverse previous pullback form 100-EMA. 38.2% Fibonacci retracement level adds strength to the upside filter. Three-week-old horizontal support zone restricts immediate downside. EUR/USD remains mildly bid around 0.9750 as it consolidates losses made during the last two weeks during early Monday. In doing so, the major currency pair jumps back towards a convergence of the 100-EMA and 38.2% Fibonacci retracement level of the September 12-27 downside.

INR: USD/INR remains mildly offered amid broad US dollar pullback. Fears of RBI intervention, firmer oil prices challenge the pair traders amid sluggish Asian session. Firmer US data, hawkish Fed speak keeps buyer's hopeful even as intermediate pullbacks remain on the table. USD/INR bulls take a breather around 82.35, mostly sluggish after a two-day uptrend, during the initial hours of Monday's Indian session. In doing so, the Indian rupee (INR) pair portrays the market's indecision amid the hopes of the Reserve Bank of India's (RBI) intervention, as well as firmer oil prices and the US dollar's retreat, inactive start to the week.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	133.00	142.20	GBP/USD	1.1295	1.1355
EUR/KES	115.10	123.60	EUR/USD	0.9785	0.9825
INR/KES		1.5480	AUD/USD	0.6275	0.6365
			USD/INR	81.31	81.34
			Commodities		
			Gold	1650	1667
			Brent Crude	92.30	94.61

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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