

# DAILY FOREX NEWSLETTER

Tuesday 18th Oct 2022

The Kenya's shilling was stable on Monday in slow trade with little dollar supply and demand.

## Top News:

- Oil prices steadied in early Asian trade on Tuesday as a weaker U.S. dollar lent support, although rising shale production and fears that stubbornly high inflation could lead the world economy into a recession limited gain.
- Shares in the Asia-Pacific traded higher on Tuesday after Wall Street's rally overnight.

## International Markets

**USD:** Most Asian currencies moved little on Tuesday as the dollar steadied from overnight losses, while the New Zealand dollar surged after higher-than-expected inflation data pushed up expectations of more interest rate hikes.

**GBP:** GBP/USD stays firmer around a fortnight top, keeping the week-start strength. Expectations over BOE's delay in Quantitative Tightening recently favored buyers. UK Chancellor Hunt's U-turn on "mini-budget" propelled the market's optimism. Fears over UK PM Truss' future, hawkish Fed bets challenge pair buyers of late. GBP/USD takes the bids to refresh intraday high around 1.1410 during the early Tuesday morning in Europe, extending the previous day's upside momentum. In doing so, the cable pair takes clues from the market's latest concerns surrounding the Bank of England's next move and the UK's haywire political conditions.

**EUR:** EUR/USD is likely to consolidate further on symmetrical triangle formation. The shared currency bulls are playing with the 200-EMA at around 0.9856. The RSI (14) has shifted into the bullish range, which advocates the Eurozone bulls. The EUR/USD pair has dropped marginally after printing a day's high at 0.9853 in the Tokyo session. After a juggernaut rally, the shared currency bulls are facing a corrective move as the US dollar index (DXY) has attempted a rebound move. Meanwhile, positive risk sentiment is still elevated as S&P500 is solid with recent gains

**INR:** USD/INR remains mildly offered at one-week low, but bears hesitate of late. UK-inspired optimism fades amid a lack of major catalysts, policymakers' aggression. Hawkish Fed bets, strong inflation expectations keep buyer's hopeful. Hopes of RBI's intervention, softer oil restricts immediate upside. USD/INR gradually extends the previous day's losses as firmer sentiment weighs on the US dollar despite hawkish Fed bets during Tuesday morning in India.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	134.70	143.90	GBP/USD	1.1425	1.1295
EUR/KES	116.20	124.80	EUR/USD	0.9995	0.9785
INR/KES		1.5480	AUD/USD	0.6355	0.6275
			USD/INR	81.07	81.31
			Commodities		
			Gold	1659	1650
			Brent Crude	92.35	92.30

## 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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