

DAILY FOREX NEWSLETTER

Wednesday 19th Oct 2022

The Kenya's shilling weakened to a new all-time low on Tuesday due to increased demand for dollars from the energy sector.

Top News:

- Oil prices climbed on Wednesday, paring losses from the previous session, as investors jumped into more risky assets such as commodities amid gains in broader equity markets and on signs of renewed demand from top oil importer China.
- Shares in the Asia-Pacific were mixed on Wednesday following a second day of gains in major U.S. indexes.

International Markets

USD: Most Asian currencies moved little on Wednesday as hawkish comments from Federal Reserve officials helped stem recent losses in the dollar, while the Japanese yen hovered around 32-year lows as traders looked past threats of government intervention

GBP: GBP/USD is needed to cross the 1.1360 hurdle for an upside momentum amid a cheerful market mood. The Fed is not ready to pause the rate hike spell until it sees compelling evidence of an inflation slowdown. Loss of confidence in UK PM Liz Truss's leadership has escalated UK's political instability. The GBP/USD pair is facing barricades around the immediate hurdle of 1.1360 in the Tokyo session. The hurdles around 1.1360 seem less powerful amid escalating risk appetite of the market participants. S&P500 futures have extended their gains in the Tokyo session after back-to-back upbeat trading sessions. The pound bulls will get strengthened after overstepping the above-mentioned hurdle.

EUR: EUR/USD has displayed a mild correction amid a marginal DXY recovery. The risk-on profile is intact as S&P500 futures are stuck to their extended gains. ECB Lagarde may announce a rate hike by 75 bps to curtail price pressures. The EUR/USD pair has witnessed selling pressure after multiple failed attempts of overstepping the critical hurdle of 0.9880. The asset has not turned bearish yet as the risk profile is extremely cheerful.

This could be merely a healthy correction in the asset's upside journey.

INR: USD/INR prints mild gains after bouncing off one-week low the previous day. Hawkish Fed bets, oil price rebound favor buyers during inactive trading session. Risk-on mood underpins Asian currencies' strength versus the greenback. US housing data, risk catalysts will be crucial for near-term directions, RBI intervention eyed as well. USD/INR picks up bids to 82.35 during the second consecutive positive daily performance amid an inactive Asian session on Wednesday. In doing so, the Indian rupee (INR) pair fails to track its Asian peers

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	134.10	143.00	GBP/USD	1.1365	1.1425
EUR/KES	116.10	124.50	EUR/USD	0.9875	0.9995
INR/KES		1.5480	AUD/USD	0.6345	0.6355
			USD/INR	81.30	81.07
			Commodities		
			Gold	1646	1659
			Brent Crude	90.52	92.35

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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