

DAILY FOREX NEWSLETTER

Friday 21st October 2022

The Kenya's shilling held steady on Wednesday, but it was likely to weaken due to increased demand for dollars from the energy and manufacturing sectors, coupled with low inflows.

Top News:

- Oil prices were near flat on Friday, as market participants weighed concerns about steep inflation with optimism that China could see energy demand tick up.
- Shares in the Asia-Pacific mostly traded lower on Friday as investors weigh inflation data from several economies

International Markets

USD: Asian currencies fell sharply on Friday, with the Japanese yen hitting a new 32-year low against the dollar as a spike in Treasury yields and growing fears of a U.S. recession depleted appetite for risk-heavy assets

GBP: GBP/USD meets with a fresh supply on Friday and is pressured by a modest USD strength. The overnight rejection near a two-month-old descending trendline favours bearish traders. Weakness below the weekly low is needed to support prospects for further near-term losses. The GBP/USD pair edges lower during the Asian session on Friday and is currently trading around the 1.1200 mark, just a few pips above the weekly low touched the previous day.

EUR: EUR/USD picks up bids to pare intraday losses, braces for the first weekly gain in three. Yields dribble around multi-year high as markets wait for fresh clues. Last round of Fed speak before pre-FOMC blackout will be crucial as DXY struggles despite hawkish wagers on Fed. Eurozone preliminary Consumer Confidence for October will be important as well. EUR/USD prints mild intraday losses around 0.9780 despite the recent bounce of the day's low, which in turn portrays the market's indecision amid a light calendar day on Friday. Even so, the major currency braces for the first weekly gain in three as the US Dollar Index (DXY) struggles to justify strong Treasury yields and hawkish Fed bets.

INR: USD/INR remains pressured after reversing from record high. RBI's so-called meddling in spot, forward markets defend INR. Treasury yields refresh multi-year high as inflation fears join hawkish central banks. Fed speak, RBI's intervention eyed for fresh impulse as buyer push for entry. USD/INR takes offers to renew the intraday low near 82.70 while extending the previous day's pullback from the all-time high during early Friday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	132.10	142.00	GBP/USD	1.1240	1.1365
EUR/KES	115.00	123.50	EUR/USD	0.9810	0.9875
INR/KES		1.5480	AUD/USD	0.6295	0.6345
			USD/INR	81.65	81.30
			Commodities		
			Gold	1621	1646
			Brent Crude	92.96	90.52

T-Bills Rates:

Duration	Current	Previous
91 Days	9.100%	9.058%
182 Days	9.664%	9.656%
364 Days	9.928%	9.910%

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