

DAILY FOREX NEWSLETTER

Tuesday 25th October 2022

The Kenya's shilling was stable against the dollar amid plentiful liquidity on Monday, with fuel importer demand for hard currency supported by the pharmaceutical and Agri-chemical sectors.

Top News:

- Asian equities fell to new 2-1/2-year lows on Tuesday as early gains inspired by a rally on Wall Street on hopes the Federal Reserve could be nearing the end of aggressive rate increases were offset by weakness in Chinese shares and the yuan.
- Oil prices rose on Tuesday as the U.S. dollar eased against major peers, but gains were limited by worries of slowing global fuel demand growth amid bearish economic data from key oil importing economies such as China.

International Markets

USD: The dollar edged higher on Monday despite another suspected foreign exchange intervention by Japan, while sterling was choppy after Rishi Sunak was picked to become Britain's third prime minister in the last seven weeks, and China's offshore yuan fell to a record low.

GBP: GBP/USD cheers broad US dollar weakness, cautious optimism in the market to defend buyers. End of UK's month-old political turmoil, Rishi Sunak's credibility keeps buyer's hopeful. Downbeat PMIs, geopolitical fears concerning Russia and hawkish Fed bets test upside momentum. Second-tier US data can entertain intraday buyers ahead of Thursday's US Q3 GDP. GBP/USD grinds higher past 1.1300, up 0.25% intraday, as buyers cheer a softer US dollar amid hopes of ending the UK's political crisis during early Tuesday. Even so, a lack of significant data/events and sluggish markets, not forgetting the immediate technical hurdles, challenge the pair buyers after a downbeat start to the week.

EUR: EUR/USD bulls attempting to make a break for its US dollar bears are pressing the bulls back below key trendline support. EUR/USD has been drifting to the upside as the US dollar tails off below micro daily trendline support. DXY has been pressured to below 111.50 but the pace of losses is slow, and bulls are in play at times of bearish pressure.

INR: USD/INR takes offers to reverse the week-start gains. Softer oil prices, hopes of festive demand underpin INR amid sluggish session. DXY traces downbeat yields, absence of Fed speak strengthens the greenback's weakness. Calls of witnessing 85.00 as a quote gain market's attention and challenge the bears. USD/INR remains pressured around the intraday low of 82.55, reversing Monday's gains, as it struggles to justify the risk-aversion in Asia amid a softer US dollar and sluggish markets during early Tuesday

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	133.50	142.80	GBP/USD	1.1350	1.1385
EUR/KES	116.80	124.90	EUR/USD	0.9935	0.9880
INR/KES		1.5480	AUD/USD	0.6356	0.6380
			USD/INR	81.72	81.57
			Commodities		
			Gold	1650	1656
			Brent Crude	93.54	92.89

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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