

# DAILY FOREX NEWSLETTER

Wednesday 26th Oct 2022

The Kenya's shilling eased slightly against the dollar on Tuesday, as all sectors of the economy sought dollars to fulfil month-end obligations amid a paucity of supply.

### Top News:

- Asian shares edged higher on Wednesday as investors clung to hopes that the pace of U.S. and global rate hikes will start to slow, though U.S. futures dropped after disappointing results from tech giants Alphabet GOOGL.O and Microsoft MSFT
- Oil prices eased on Wednesday after industry data showed U.S. crude stockpiles rose more than expected, but losses were capped by supply worries.

### International Markets

**USD:** Major Chinese state-owned banks sold U.S. dollars in both onshore and offshore markets in late trade on Tuesday to prop up the weakening yuan.

**GBP:** GBP/USD is consolidating its retreat around 1.1450 as the US dollar finds demand in Asia. Investors turn cautious amid discouraging US tech giants' earnings, flagging recession fears. Cable buyers will hold the fort so long as the price stays above the bearish 50DMA. GBP/USD is consolidating the latest pullback from six-week highs of 1.1499, as the US dollar finds fresh demand amid a cautious market mood.

**EUR:** EUR/USD is marching towards parity as the odds of a bigger rate hike by the ECB have strengthened. Mixed responses from the risk profile have put the DXY on the side-lines. The US GDP data is seen higher at 2.4% vs. a decline of 0.6%. The EUR/USD pair is juggling in a 0.9943-0.9969 range in the Tokyo session amid a quiet market mood. The asset has turned sideways after a perpendicular upside move and is looking to kiss the parity ahead as bets have soared for a bigger rate hike by the European Central Bank (ECB)

**INR:** USD/INR continues to pullback from its record high of 83.26 dealt last week. Weak USD data, lower US yields, expectations of less hawkish Fed weigh. Growing perception that INR is approaching its low for year caps USD upside. Downside limited for now as weak yuan continues to weigh on AXJ currencies. India's currency, debt & equity markets closed Wednesday for a local holiday.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	118.50	126.00			
<b>GBP/KES</b>	135.00	144.80	<b>GBP/USD</b>	1.1485	1.1350
<b>EUR/KES</b>	118.00	125.90	<b>EUR/USD</b>	0.9990	0.9935
<b>INR/KES</b>		1.5480	<b>AUD/USD</b>	0.6450	0.6356
			<b>USD/INR</b>	81.40	81.72
			<b>Commodities</b>		
			<b>Gold</b>	1655	1650
			<b>Brent Crude</b>	92.87	93.54

### 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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