

DAILY FOREX NEWSLETTER

Thursday 27th Oct 2022

The Kenya's shilling touched an all-time low against the dollar on Wednesday, as demand from the fuel and energy sectors outweighed inflows from non-governmental organizations' salaries and diaspora remittances.

Top News:

- Asian shares rose on Thursday on growing expectations that major Central Banks could start slowing the pace of interest rate hikes in coming months, while the dollar's retreat lifted commodities and pushed treasury yields lower.
- Oil prices rose on Thursday, extending a more than 3% rally in the previous session, boosted by record U.S. crude exports and a weaker U.S. dollar, though gains were capped in Asia due to lingering fears over slack demand in China.

International Markets

USD: Most Asian currencies fell on Thursday as investors locked in profits from a recent rally, while the dollar was pinned near one-month lows as markets bet on a less hawkish Federal Reserve.

GBP: GBP/USD pauses two-day bullish momentum, as the US dollar attempts a comeback. Markets turn cautious amid mixed headlines on the upcoming UK fiscal plan. Cable looks to recapture 100DMA amid a symmetrical triangle breakout. GBP/USD is trading water above 1.1600, pausing a two-day uptrend amid a cautious market mood. The US dollar is finding its feet, as investors seek refuge in the safe haven ahead of the critical ECB rate hike decision and the US advance Q3 GDP release.

EUR: EUR/USD is displaying a lacklustre performance below 1.0100 as investors await ECB policy. The risk impulse is highly positive and is favouring the shared currency bulls. ECB's Lagarde may announce a rate hike of 75 bps. The EUR/USD pair has extended its lacklustre performance in the Tokyo session as investors are awaiting the announcement of the interest rate decision by the European Central Bank. In addition to the ECB policy, the US Gross Domestic Product data also carries the utmost importance.

INR: USD/INR has displayed a vertical rebound as oil prices soar. Market mood has turned extremely quiet ahead of US economic data. Fed's preferred inflation tool, US core PCE could drop to 4.5%. The USD/INR pair has resurfaced firmly from the round-level support of 82.00 in the Asian session. An inventory adjustment phase displayed on Wednesday has resulted in a north-side break amid a steep rise in oil prices.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	137.50	146.90	GBP/USD	1.1665	1.1485
EUR/KES	118.50	127.50	EUR/USD	1.0120	0.9990
INR/KES		1.5480	AUD/USD	0.6555	0.6450
			USD/INR	81.30	81.40
			Commodities		
			Gold	1666	1655
			Brent Crude	95.97	92.87

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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