

DAILY FOREX NEWSLETTER

Friday 28th Oct 2022

The Kenya's shilling was unchanged in a quiet market on Thursday, although dollar demand from fuel importers remained.

Top News:

- Hong Kong stocks led losses as shares in the Asia-Pacific fell as the Bank of Japan's left its benchmark interest rate unchanged.
- Oil prices fell in early trade on Friday on a stronger dollar but were on track for a weekly gain on concerns about supply tightening with Europe's pending cut-off of imports from Russia.

International Markets

USD: The euro dropped more than 1% on Thursday, falling back below parity with the dollar, after the European Central Bank (ECB) raised interest rates and U.S. data showed that the world's biggest economy rebounded more than expected in the third quarter.

GBP: GBP/USD aims to recapture 1.1600 as DXY struggles amid declining odds for the ultra-hawkish Fed. A slowdown in consumer spending has indicated that the inflationary pressures are exhausting. UK's novel leadership is focusing on squeezing liquidity through fiscal policy. The GBP/USD pair has witnessed a rebound from 1.1550 in the Tokyo session and is aiming to recapture the immediate hurdle of 1.1600. The cable has picked bids as the US dollar index (DXY) has witnessed correction after failing to sustain above 110.50.

EUR: EUR/USD prints mild gains while paring the most significant intraday loss in three weeks. Market sentiment remains dicey as Fed hawks retreat after mixed US data; ECB disappoints. Softer yields weigh on DXY, but buyers remain cautious ahead of US Core PCE Inflation, German Q3 GDP and HICP data. EUR/USD pares intraday gains around 0.9980, retreating from the daily top, as traders await the critical inflation data from Germany and the US on Friday. Even so, the major currency pair remains on the way to posting the second consecutive weekly upside while printing mild gains at the latest.

INR: The Indian rupee rose 0.21% per dollar, as U.S. Treasury yields fell on signs of a softening economy, adding to views that the Federal Reserve may opt to slow down the pace of its rate hikes.

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	1.1595	1.1665
EUR/KES	118.50	127.50	EUR/USD	1.0080	1.0120
INR/KES		1.5480	AUD/USD	0.6495	0.6555
			USD/INR	81.25	81.30
			Commodities		
			Gold	1663	1666
			Brent Crude	96.27	95.97

T-Bills Rates:

Duration	Current	Previous
91 Days	9.127%	9.100%
182 Days	9.678%	9.664%
364 Days	9.965%	9.928%

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