

# DAILY FOREX NEWSLETTER

Tuesday 4th October 2022

Kenya's shilling was stable in thin trade on Monday, but its weakening trend was seen resuming in the coming days as foreign-currency supply remained limited.

### Top News:

- Gold prices edged lower on Tuesday, having touched a nearly three-week high earlier in the session, as a firmer dollar dimmed the appeal of greenback-priced bullion and countered support from lower U.S. Treasury yields.
- European stocks are heading for a higher open on Tuesday, building on gains seen in yesterday's trading session.
- Australia's dollar tumbled on Tuesday after the nation's Central Bank surprised markets by opting to raise rates by a smaller-than-expected quarter point

### International Markets

**USD:** Chinese authorities have rolled out an array of tried-and-true man oeuvres in recent weeks to slow the yuan's slide, showing relative success compared with other battered currencies, but analysts say they face long odds against an unstoppable dollar.

**GBP:** GBP/USD is challenging 1.1300 support amid renewed weakness. The US dollar is consolidating its decline despite Asia's risk-on mood. Cable recaptured 21 DMA on a closing basis, but RSI remains bearish. GBP/USD is retreating from fresh eight-day highs at 1.1344, as the US dollar has paused its recent decline despite the extension of the risk-on trading in Asia this Tuesday.

**EUR:** EUR/USD is aiming to kiss the critical hurdle of 0.9900 amid weaker DXY. Lower consensus for the US NFP is denting the DXY's appeal. Brussels expansion plans for EU nations will continue to support the trading bloc. The EUR/USD pair is hovering around weekly highs of 0.9850 and is preparing to cross the same to smash the critical hurdle of 0.9900. The asset has turned sideways in a narrow range of 0.9735-0.9850 after a firmer rebound. Odds are favouring an upside break of the consolidation as the US dollar index (DXY) is going through a rough phase amid a slowdown in the US economy due to escalating interest rates by the Federal Reserve (Fed)

**INR:** The Indian rupee is tipped to open higher against the dollar on Tuesday after Treasury yields plunged following data that showed a further slowdown in U.S. manufacturing activity.

### 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>	134.00	143.50	<b>GBP/USD</b>	1.1365	1.1285
<b>EUR/KES</b>	116.00	124.30	<b>EUR/USD</b>	0.9875	0.9845
<b>INR/KES</b>		1.5680	<b>AUD/USD</b>	0.6535	0.6495
			<b>USD/INR</b>	80.37	80.45
			<b>Commodities</b>		
			<b>Gold</b>	1699	1663
			<b>Brent Crude</b>	89.25	87.31

### T-Bills Rates:

Duration	Current	Previous
91 Days	8.952%	8.951%
182 Days	9.631%	9.625%
364 Days	9.905%	9.909%

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

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.