

DAILY FOREX NEWSLETTER

Wednesday 5th Oct 2022

Kenya's shilling drifted weaker on Tuesday, extending a long-running slide as dollar demand from the energy sector and general goods' importers continued to outpace foreign-currency supply.

Top News:

- Oil prices inched up on Wednesday extending 3% gains in the previous session ahead of a meeting of OPEC+ producers to discuss a big output cut in what energy executives and analysts see as a tightly supplied market.
- Shares in the Asia-Pacific traded higher on Wednesday after U.S. stocks rallied for a second day.
- Hong Kong's Hang Seng index surged 5.47% on its return to trade after a holiday Tuesday. The Hang Seng Tech index soared 7.4% higher.

International Markets

USD: The dollar suffered a bruising encounter Tuesday, but its swing lower may come to an abrupt end in the coming days as Friday's U.S. monthly jobs data has the potential to drown out recent hopes of a Federal Reserve pivot.

GBP: GBP/USD is eyeing weakness to near 1.1400 as a corrective move, however, the upside remains favoured. Pound bulls have been strengthened after the UK govt. rollback the tax reduction memorandum. A lower-than-expected reading of the US ISM Services PMI gamut will weaken DXY further. The GBP/USD pair has delivered a downside break of the consolidation formed in a range of 1.1420-1.1490 in the Tokyo session. The asset is expected to drop further to near the round-level support of 1.1400 as a correction was highly expected after a juggernaut rally. However, the corrective move is expected to be mild and won't impact the upside bias on higher timeframe.

EUR: EUR/USD slips after running into resistance just below parity. The US dollar rebounds with yields as hawkish RBNZ move revives aggressive Fed rate hike bets. Falling wedge breakout meets resistance at 50-DMA, as focus shifts to critical US data. EUR/USD is turning south towards 0.9950 after meeting fresh supply just below the parity mark. The broad US dollar rebound is aiding the renewed downside in the main currency pair.

INR: India's currency, debt and equity markets will be closed on Oct. 5, Wednesday for a holiday. Markets will resume trading on Oct. 6, Thursday. The NSE Nifty 50 index. NSEI ended up 2.3% to 17,274.30 on Tuesday, while the S&P BSE Sensex. BSESN gained 2.3% to 58,065.47.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	135.00	144.50	GBP/USD	1.1465	1.1365
EUR/KES	118.00	126.00	EUR/USD	0.9995	0.9875
INR/KES		1.5760	AUD/USD	0.6535	0.6535
			USD/INR	80.20	80.37
			Commodities		
			Gold	1719	1699
			Brent Crude	91.52	89.25

T-Bills Rates:

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

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