

DAILY FOREX NEWSLETTER

Friday 11th Nov 2022

The Kenya's shilling was stable on Thursday, although pent-up dollar demand from importers like fuel marketers and the manufacturing sector was seen applying pressure.

Top News:

- Hong Kong stocks jumped more than 5% as shares in the Asia-Pacific rose after the release of U.S. inflation data in October raised investor hopes that inflation has peaked.
- Oil crawls higher on U.S. hopes, but COVID rise in China caps gains. India's Iraqi oil imports fall to lowest in 20 months.

International Markets

USD: The dollar hovered around two-month lows on Friday after falling sharply on data that showed U.S. inflation eased more than expected, with Treasury yields also down as investors positioned for a smaller interest rate hike by the Federal Reserve in December

GBP: GBPUSD is meeting its highest levels since September 12. With the price on the backside of the weekly countertrend, 1.2000 is a realistic prospect. The Pound rallied on Thursday, hitting the best level against the greenback since September 12. The moves were inspired by lower-than-expected inflation reading for the US in the day's Consumer Price Index data. CPI rose 0.4% in October to match the prior month's increase, the Labor Department said.

EUR: EURUSD is eyeing more gains above 1.0200 amid an upbeat risk impulse. An increment in long-term inflation expectations might spoil the market mood. ECB Schnabel believes that only a deep recession with a sharp rise in unemployment would dampen inflation. The EURUSD pair is hovering around the immediate hurdle of 1.0200 in the Tokyo session. The asset is displaying topsy-turvy moves after Thursday's juggernaut rally and may resume its upside journey after surpassing the 1.0200 hurdle decisively. Bullish bets are accelerating for the Euro bulls as the risk profile are holding optimism.

INR: USDINR licks its wounds at the lowest levels since late September. Eight-month low US CPI bolstered hopes of Fed's easy rate hikes going forward. China-linked risk-aversion joins sluggish market moves to trigger USDINR consolidation. US Michigan CSI, risk catalysts eyed for fresh impulse. USDINR prints mild gains around 80.70 as it pares the recent losses around a seven-week low during Friday's Asian session. In doing so, the Indian Rupee (INR) pair takes clues from the market's cautious mood, after a euphoric optimism, amid a sluggish start and a light calendar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	138.00	147.60	GBP/USD	1.1730	1.1465
EUR/KES	120.50	128.95	EUR/USD	1.0245	1.0055
INR/KES		1.5685	AUD/USD	0.6655	0.6458
			USD/INR	80.15	80.95
			Commodities		
			Gold	1752	1709
			Brent Crude	93.94	92.65

T-Bills Rates:

Duration	Current	Previous
91 Days	9.173%	9.139%
182 Days	9.706%	9.691%
364 Days	10.186%	10.109%

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

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