

DAILY FOREX NEWSLETTER

Friday 18th Nov 2022

The Kenyan shilling weakened marginally against the dollar on Thursday due to dollar demand from the energy sector.

Top News:

- Asian shares were in a cautious mood on Friday after U.S. Federal Reserve officials fired more warning shots on interest rates, while rising coronavirus cases in China and liquidity strains in its bond market added to uncertainty
- Oil prices rose on Friday as the dollar slipped but were headed for hefty weekly losses on expectations there will be no let-up in sharp U.S. interest rate hikes and the prospect of weaker demand from top oil importer China amid rising COVID-19 cases.

International Markets

USD: The dollar rose on Thursday as U.S. Treasury yields increased and investors eyed hawkish comments from Federal Reserve officials, while the British pound fell as investors were left unimpressed by the UK government's latest budget.

GBP: GBPUSD picks up bids to reverse the previous day's losses, prints two-week uptrend. UK's Autumn Budget failed to impress bulls, optimism surrounding British government-BOE partnership favor upside moves. Sluggish markets allow US dollar to pare recent gains despite hawkish Fed speak. Firmer UK Retail Sales could allow buyers to keep the reins. GBPUSD buyers keep the reins around 1.1900 while bracing for the second weekly gain as traders reassess positives from the UK's fiscal plan during early Friday's sluggish trading. Also, likely to have favored the Cable pair could be the hopes of witnessing further UK Retail Sales figures, the key constituent of the British Gross Domestic Product (GDP).

EUR: EURUSD struggles for a clear direction after snapping a two-day uptrend the previous day. Sluggish markets challenge EURUSD moves but firmer yields, DXY rebound keeps seller's hopeful. Softer prints of Eurozone inflation, risk-negative catalysts exert downside pressure on prices. ECB President Lagarde needs to defend hawkish policy, show optimism to push back EURUSD bears. EURUSD lacks clear direction around 1.0365 during early Friday, after printing the first daily loss in three. In doing so, the major currency pair trims the weekly gains amid a sluggish session ahead of a speech from European Central Bank (ECB)

President Christine Lagarde.

INR: USDINR remains on the front foot despite the latest inaction. Clear break of two-week-old descending trend line keeps buyer's hopeful. Seven-week-long horizontal area restricts immediate upside, bears need validation from 80.45.USDINR bulls struggle around 81.60 during early Friday, despite picking up bids to reverse the pullback from the 100-SMA

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	141.00	150.40	GBP/USD	1.1935	1.1940
EUR/KES	123.00	131.15	EUR/USD	1.0415	1.0425
INR/KES		1.5685	AUD/USD	0.6745	0.6755
			USD/INR	80.50	80.45
			Commodities		
			Gold	1761	1762
			Brent Crude	90.30	91.83

T-Bills Rates:

Duration	Current	Previous
91 Days	9.191%	9.173%
182 Days	9.721%	9.706%
364 Days	10.181%	10.186%

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