

DAILY FOREX NEWSLETTER

Monday 21st Nov 2022

The Kenyan shilling traded near a record low against the dollar on Friday, as dollar demand from the manufacturing and energy sectors continued to weigh. Kenya is set to import its first genetically modified maize, the trade cabinet secretary has said, as the government seeks to ease food shortages caused by the country's worst drought in 40 years.

Top News:

- Asian share markets and oil prices slipped on Monday as investors fretted about the economic fallout from fresh COVID-19 restrictions in China, with resulting risk aversion benefiting bonds and the dollar.
- Oil prices hovered near two-month lows on Monday as supply fears receded while concerns over China's fuel demand and rising interest rates weighed on prices.

International Markets

USD: Most Asian currencies slumped on Monday, with the yuan hit especially hard as China logged a record jump in daily COVID cases, while the dollar benefited from safe haven demand amid fears of a potential escalation in the Russia-Ukraine conflict.

GBP: GBPUSD kicks off the week on the wrong footing amid resurgent US Dollar demand. Risk aversion weighs negatively on the Pound Sterling ahead of BoE-speak. GBPUSD buyers stay hopeful amid bullish RSI, eyes on 1.2128 rising wedge hurdle. GBPUSD is staying pressured toward 1.1800 after facing rejection at the 1.1900 hurdle, as the US Dollar bulls flex their muscles amid the return of risk-off flows. Markets turn risk-averse following escalating tensions surrounding the renewed lockdowns in China amid surging covid cases. Investors flock to safety in the US Dollar in times of panic while moving away from risk-sensitive currencies such as the Pound Sterling.

EUR: EURUSD is on the verge of a breakout below 1.0300. Bulls could be gathered near 1.0150 on the way down. EURUSD is pressured into a key trendline on the hourly chart and could be on the brink of a significant downside correction. The focus is on the US Dollar and net positioning turned net short in the latest week for the first time since mid-July 2021.

INR: The Indian rupee weakened 0.23% versus the U.S. dollar, per dollar, tracking the Chinese yuan's plunge owing to stricter COVID curbs in the country. Benchmark 10-year bond IN072632G=CC was quoted at 99.75 rupees, with yield down 1 bps at 7.2939%; vs previous close of 7.3077%, tracking a decline in oil prices that aided investor sentiment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.50	126.20			
GBP/KES	140.50	149.50	GBP/USD	1.1875	1.1935
EUR/KES	122.00	129.95	EUR/USD	1.0365	1.0415
INR/KES		1.5685	AUD/USD	0.6685	0.6745
			USD/INR	80.95	80.50
			Commodities		
			Gold	1746	1761
			Brent Crude	86.83	90.30

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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