

DAILY FOREX NEWSLETTER

Wednesday 23rd Nov 2022

The Kenya's shilling was stable on Tuesday and forecast to ease due to increased demand for dollars from manufacturing and oil retailing companies.

Top News:

- Oil prices rose in early trade on Wednesday after industry data showed U.S. crude stockpiles fell more sharply than expected last week, highlighting supply tightness ahead of a looming European Union ban and G7 price cap on Russian oil.
- Shares in the Asia-Pacific are mixed Wednesday after U.S. stocks rose overnight and New Zealand's Central Bank delivered a 75-basis point hike, the biggest rate hike ever in the Central Bank's history.

International Markets

USD: The U.S. dollar was steady on Wednesday as investors tempered their risk appetites ahead of the release of minutes of the Federal Reserve's policy meeting that could offer clues on the outlook for inflation and interest rates.

GBP: GBP/USD is eyeing an establishment above 1.1900 for further upside. US yields could remain at 4% or above till 2025 as the Fed may ignore economic prospects for bringing price stability. An underperformance is expected from UK S&P PMI data. The GBP/USD pair is hovering around the immediate hurdle of 1.1900 in the Asian session. The Cable is struggling to sustain above the resistance despite a cheerful market mood. The optimism from the pair has not faded yet as the US dollar index (DXY) is witnessing intense selling pressure amid a decline in safe-haven's appeal.

EUR: EUR/USD picks up bids to defend the previous day's recovery moves. US Dollar remains pressured despite mixed sentiment in the market, absence of bond moves. Buyers seek confirmation of Fed's 50 bps rate hike in December. Flash PMIs, US Durable Goods Orders and risk catalysts are extra catalysts to watch for fresh impulses. EUR/USD remains mildly bid near 1.0320 as it cheers the US Dollar weakness during early Wednesday morning in Europe. That said, the quote's latest upside, however, appears shallow ahead of the key data/events.

INR: USD/INR picks up bids to reverse the previous day's pullback from two-week high. Chatters surrounding RBI intervention near 81.80-90 join oil prices retreat to challenge bulls. China COVID-19 woes, cautious mood ahead of the key data, FOMC Minutes keep buyer's hopeful. Support for Fed's 75 bps rate hike, upbeat US data could portray further upside. USD/INR stays defensive around 81.75, despite the recent pick-up, as traders await Wednesday's key data/events amid mixed concerns. Even so, hawkish hopes from the US Federal Reserve (Fed) and the coronavirus fears emanating from China keeps the Indian Rupee bears hopeful.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.30			
GBP/KES	141.00	150.20	GBP/USD	1.1898	1.1895
EUR/KES	122.00	130.25	EUR/USD	1.0345	1.0325
INR/KES		1.5685	AUD/USD	0.6685	0.6645
			USD/INR	80.65	80.55
			Commodities		
			Gold	17434	1744
			Brent Crude	88.19	87.87

T-Bills Rates:

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

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