

# DAILY FOREX NEWSLETTER

Tuesday 29th Nov 2022

The Kenya's shilling was steady on Monday but was forecast to ease due to increased importer dollar demand from the energy sector.

## Top News:

- Oil prices dropped in early trade on Tuesday, weighed down by concerns about slowing fuel demand in top crude importer China amid strict Covid-19 curbs.
- Stocks in Hong Kong led gains alongside Chinese indexes after media reports said China's state council will hold a press conference at 3 p.m. Beijing time.

## International Markets

**USD:** The dollar clawed back earlier losses on Monday as a hawkish Federal Reserve official laid out the case for further rate hikes, while the Australian dollar sank on concerns about unrest over COVID-19 restrictions in China.

**GBP:** GBP/USD picks up bids to snap two-day downtrend as market sentiment improves. Softer Covid infections from China, a stimulus measure for real-estate firms favoured mild risk-on mood. Hawkish Fed speak, pre-event anxiety and looming concerns over the UK government workers' nationwide strike test bulls. BOE Governor Bailey Testimony, US CB Consumer Confidence eyed for fresh impulse. GBP/USD cheers the broad-based US Dollar selling amid firmer sentiment while refreshing the daily top to 1.2000 during early Tuesday morning in Europe. In doing so, the Cable pair also portrays the trader's optimism ahead of Bank of England (BOE) Governor Andrew Bailey's testimony before the Lords Economic Affairs Committee

**EUR:** Downbeat market sentiment has weakened the Euro bulls. A Double Top formation around 1.0500 has triggered a bearish reversal for the major currency pair. The (RSI) (14) has shifted into the 40.00-60.00 range, which signals a loss in the upside momentum. The EUR/USD pair has dropped after facing barricades around the immediate hurdle of 1.0360 in the Asian session. Hawkish commentaries from Federal Reserve (Fed) policymakers joined China protests-inspired volatility and now have strengthened the risk aversion theme.

**INR:** USD/INR holds lower ground near intraday bottom amid mildly positive markets. Easing in China covid numbers, property market optimism weighs on the US Dollar. S&P cuts India's economic growth forecast but Morgan Stanley stays bullish. Firmer oil prices, hawkish Fed speak poke pair sellers ahead of India Q3 GDP, Fed Chairman Jerome Powell's speech. USD/INR remains depressed around the intraday low of 81.48, picking up bids to 81.60 by the press time, as market sentiment improves during early Tuesday. Even so, mixed headlines surrounding New Delhi and firmer oil prices challenge the pair sellers of late.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	143.00	152.80	GBP/USD	1.2045	1.2090
EUR/KES	124.00	131.90	EUR/USD	1.0425	1.0385
INR/KES		1.5785	AUD/USD	0.6755	0.6745
			USD/INR	80.54	80.55
			Commodities		
			Gold	1754	1752
			Brent Crude	85.09	81.28

## T-Bills Rates:

Duration	Current	Previous
91 Days	9.237%	9.191%
182 Days	9.733%	9.721%
364 Days	10.219%	10.181%

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