

DAILY FOREX NEWSLETTER

Wednesday 2nd Nov 2022

The Kenya's shilling was little changed on Tuesday, and it was expected to ease due to increased demand for dollars from the energy sector.

Top News:

- Shares in the Asia-Pacific were mostly higher on Wednesday as investors brace for another likely 75-basis-point rate hike by the Federal Reserve.
- Oil prices rose in early trade on Wednesday after industry data showed a surprise drop in U.S. crude stockpiles, suggesting demand is holding up despite steep interest rate hikes dampening global growth.

International Markets

USD: Most Asian currencies moved little on Wednesday as caution kicked in ahead of a widely expected interest rate hike by the Federal Reserve, while the dollar fell amid hopes that the central bank will espouse a less hawkish outlook.

GBP: GBP/USD eases from intraday high amid mixed concerns, cautious optimism in the market. Firmer US data, Brexit woes and the BOE's Gilt operations test buyers. Mostly priced-in 75 bps rate hike from Fed, fresh Brexit woes keep seller's hopeful. FOMC announcements eyed for a clear view on rate hikes from December, BOE needs hawkish play to defend bulls. GBP/USD pares intraday gains as it slides to 1.1506 heading into Wednesday's London open. The Cable pair's latest weakness could be linked to the increased anxiety ahead of the Federal Open Market Committee (FOMC) meeting. Also exerting downside pressure on the quote could be the chatters surrounding the Bank of England's (BOE) next move and Brexit.

EUR: EUR/USD stays mildly bid, extending the November-start rebound from one-week low. ECB policymakers back further rate hikes despite citing recession fears. DXY fades US data-led rebound as yields remain pressured amid fears of slower rate hikes from December. US ADP Employment Change, second-tier EU/German data will offer intermediate directions. EUR/USD grinds near intraday high surrounding 0.9900 as buyers struggle to keep the reins during early Wednesday morning in Europe. In doing so, the major currency pair defends the previous day's rebound from the lowest level in a week but also stays appears dicey ahead of the key Federal Open Market Committee meeting.

INR: The Indian rupee was stable to the U.S. dollar, barely changed from the previous session as traders await Fed guidance on the size of future rate hikes.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	136.10	145.60	GBP/USD	1.1535	1.1540
EUR/KES	117.00	124.85	EUR/USD	0.9925	0.9950
INR/KES		1.5480	AUD/USD	0.6445	0.6455
			USD/INR	81.60	81.59
			Commodities		
			Gold	1650	1637
			Brent Crude	95.68	93.49

T-Bills Rates:

Duration	Current	Previous
91 Days	9.127%	9.100%
182 Days	9.678%	9.664%
364 Days	9.965%	9.928%

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