

# DAILY FOREX NEWSLETTER

Wednesday 30th Nov 2022

The Kenya's shilling was broadly stable on Tuesday, but it was expected to weaken again soon due to increased demand for dollars from the energy sector.

## Top News:

- Gold prices were little changed on Wednesday, with investors largely focusing on Federal Reserve Chair Jerome Powell's speech for insights into the U.S. central bank's monetary policy path.
- Asia-Pacific shares were mostly higher on Wednesday as the reading for China's November factory activity fell short of expectations, dropping to the lowest reading since April 2022.

## International Markets

**USD:** Most Asian currencies crept higher on Wednesday as markets awaited more cues on U.S. monetary policy from Federal Reserve Chair Jerome Powell, although weak economic data from China and uncertainty over the country's COVID policy weighed on sentiment.

**GBP:** GBP/USD picks up bids to refresh intraday high during the first positive day in four. Record high UK fresh food prices, hawkish statements from BOE's Bailey favour buyers. China-linked optimism adds strength to the corrective bounce. The cautious mood ahead of Fed Chair Powell's first speech since November FOMC tests buyers. GBP/USD cheers upbeat inflation signals, as well as the market's cautious optimism while snapping a three-day downtrend near 1.2000 during early Wednesday morning. Even so, the Cable pair traders remain cautious ahead of the key data/events.

**EUR:** EUR/USD has picked demand near 1.0320 as the risk aversion theme is losing its steam. An expansion in US GDP could create more troubles for the Fed. The headline Eurozone inflation is expected to decline to 10.4%. The EUR/USD pair has witnessed recovery after dropping to near 1.0320 in the Asian session. The major currency pair has managed to safeguard the round-level cushion of 1.0300 for now and is expected to remain sideways ahead of the Eurozone Harmonized Index of

Consumer Prices figures.

**INR:** USD/INR remains inside a tight range, renews intraday low of late. Expectations of slower Indian growth, hawkish comments from Fed Chair Powell keep buyer's hopeful. China-linked market optimism battles with downbeat activity data from the dragon nation. US ADP Employment Change, second readings of US Q3 GDP will also be important for clear directions. USD/INR aptly portrays the pre-data anxiety around 81.60 during early Wednesday as traders await the key catalysts from India and the US. Also, likely to have challenged the USD/INR moves could be the recently mixed signals from China.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	143.00	152.50	GBP/USD	1.2020	1.2045
EUR/KES	123.50	131.70	EUR/USD	1.0395	1.0425
INR/KES		1.5785	AUD/USD	0.6745	0.6755
			USD/INR	80.60	80.54
			Commodities		
			Gold	1754	1754
			Brent Crude	83.98	85.09

## 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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