

DAILY FOREX NEWSLETTER

Thursday 3rd Nov 2022

The Kenya's shilling inched down on Wednesday, hitting a fresh all-time low, due to increased importer demand especially from oil retailing and manufacturing companies.

Top News:

- Asian shares slipped on Thursday after the U.S. Federal Reserve shifted the outlook on tightening from short and sharp to long and high, putting to rest any thought of a near-term pause.
- Oil futures fell early on Thursday as the dollar firmed on the Federal Reserve's hawkish stance, but concerns over looming supply risks kept a floor under prices.

International Markets

USD: The dollar regained some strength on Wednesday after Federal Reserve Chair Jerome Powell said it was premature to discuss a pause in its hiking of interest rates to battle rising consumer prices, as there is "no sense that inflation is coming down.

GBP: GBP/USD has climbed above 1.1400 after a pullback move ahead of BOE policy. The risk-off profile has trimmed marginally and the DXY has slipped below 112.00. The pound bulls have rebounded as a rate hike by the BOE will trim Fed-BOE divergence. The GBP/USD pair has witnessed fresh demand around 1.1380 and has scaled above 1.1400 in the Tokyo session after a perpendicular fall on Wednesday. The cable has attempted a rebound as the risk-off profile has eased marginally after remaining at the rooftop. S&500 futures have also attempted a recovery while the US dollar index (DXY) has shifted its auction profile below 112.00.

EUR: EUR/USD struggles to defend the bounce off an eight-day low. Sluggish yields allow DXY bulls to take a breather, hawkish ECB speak also defends pair buyers. Recession woes, Fed's signals for aggressive rate hikes keep bears hopeful even as ECB's Lagarde may push back bears. US ISM Services PMI could offer extra signals for Friday's NFP, and direct near-term USD moves. EUR/USD prints mild gains around 0.9825-30 during a sluggish Thursday morning in Europe as bears take a breather following the Fed-inspired volatility. In doing so, the major currency pair rebounds from the lowest level in a week while taking a U-turn from a six-week-old support line.

INR: The Indian rupee weakened 0.1% versus the U.S. dollar, as the Fed signaling interest rates would be hiked for longer weighed on sentiment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	118.50	126.00			
GBP/KES	135.00	144.50	GBP/USD	1.1455	1.1535
EUR/KES	116.20	124.35	EUR/USD	0.9865	0.9925
INR/KES		1.5480	AUD/USD	0.6410	0.6445
			USD/INR	81.65	81.60
			Commodities		
			Gold	1637	1650
			Brent Crude	95.75	95.68

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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