

DAILY FOREX NEWSLETTER

Tuesday 8th Nov 2022

The Kenya's shilling was unmoved against the dollar in a quiet session on Monday, with demand and supply evenly matched.

Top News:

- Stocks in the Asia-Pacific traded mostly higher early Tuesday morning as investors digest the Bank of Japan's summary of opinions and look ahead to the U.S. midterm elections.
- Oil prices were little changed early on Tuesday as supply worries offset recession fears and China's commitment to its zero-Covid policy.

International Markets

USD: The dollar wobbled Monday, but that hasn't squeezed the life out of bets for the greenback to reign supreme in the coming weeks with the midterms and fresh inflation data on the horizon.

GBP: GBPUSD has sensed an intermediate cushion around 1.1500 ahead of US mid-elections. US recession fears have inched higher led by higher inflationary pressures and aggressive policy tightening. Discussions between UK PM and EC President have brought a sense of optimism to the post-Brexit arrangement. The GBPUSD pair has sensed a halt in the downside trend around the psychological support of 1.1500 in the Tokyo session. The Cable could rebound firmly ahead as recession fears in the US economy are accelerating dramatically. The positive risk profile is strengthening further as S&P500 futures are extending their gains in Asia after a bullish Monday.

EUR: EURUSD displays a subdued performance above parity as investors turn cautious ahead of US midterm elections. Fed's Barking sees no pause in the rate hike pace until a slowdown in the price growth. This week, US Inflation data will be of utmost importance. The EURUSD pair has witnessed a mild correction after testing Monday's high at 1.0031 in the Tokyo session. Exhaustion in the upside momentum has resulted in a minor selling interest in the asset, however, the asset still holds the parity as the overall risk impulse is still positive

INR: USDINR licks its wound at the lowest levels in a month, snaps three-day downtrend. Firmer yields, covid woes from China test bears even as Fed concerns weigh on prices. Softer oil price adds strength to the bearish bias amid an off in Indian markets. USDINR picks up bids to regain 82.00 while paring recent losses at the monthly low during Tuesday's Asian session. In doing so, the Indian Rupee (INR) pair prints the first daily gains in four by printing 81.92 the figure at the latest.

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|--------|----------|
| USD/KES | 118.50 | 126.00 | | | |
| GBP/KES | 135.50 | 145.35 | GBP/USD | 1.1535 | 1.1365 |
| EUR/KES | 117.70 | 126.75 | EUR/USD | 1.0012 | 0.9985 |
| INR/KES | | 1.5480 | AUD/USD | 0.6495 | 0.6465 |
| | | | USD/INR | 81.05 | 81.14 |
| | | | Commodities | | |
| | | | Gold | 1669 | 1672 |
| | | | Brent Crude | 97.64 | 97.56 |

T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days | 9.139% | 9.127% |
| 182 Days | 9.691% | 9.678% |
| 364 Days | 10.109% | 9.965% |
| | | |

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

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