

DAILY FOREX NEWSLETTER

Friday 16th Dec 2022

The Kenya's shilling was little changed against the dollar on Thursday, with low volumes moving on the market amid weak demand ahead of the holiday season. U.S. President Joe Biden on Thursday announced billions of dollars in additional humanitarian assistance to address acute food insecurity in Africa, which is facing a bigger and more complex food crisis than ever before.

Top News:

- Asia stocks fell for a second day in a row on Friday and were headed for their worst week in two months, after a slew of Central Banks raised interests' rates and warned there were more hikes to come next year.
- Oil prices rose in early Asian trade on Friday after falling 2% in the previous session on central bank interest rates hikes and is poised to end the week higher after a series of positive oil demand forecasts.

International Markets

USD: Most Asian currencies rose slightly on Friday but were set to end the week lower as hawkish signals from major Central Banks and a slew of weak economic readings ramped up fears of a global recession going into 2023.

GBP: BOE'S dovish guidance has snapped a four-day rally in the Cable. A Bearish Kicker candlestick pattern that indicates a reversal after an upside trend. The RSI (14) has slipped into the 40.00-60.00 range, which indicates a loss in the upside momentum. The GBP/USD pair has witnessed a rebound after dropping to near 1.2156 on Thursday. The cable went through a sheer sell-off after the Bank of England (BOE) Governor Andrew Bailey sounded dovish on interest rate guidance after hiking current borrowing cost by 50 basis points (bps) to 3.50%.

EUR: EUR/USD picks up bids to refresh intraday high, reverses pullback from six-month top. ECB-inspired rally battles with the US Dollar's safe-haven demand. Sluggish markets allow traders to pare recent moves ahead of preliminary PMIs for December. EUR/USD prints mild gains around 1.0640 as it refreshes the intraday high during early Friday. In doing so, the major currency pair consolidates the biggest daily fall in three weeks while reversing the previous day's pullback from the highest levels in six months ahead of the key activity data from Europe and the US.

INR: USD/INR reverses from the highest levels in six months, snaps two-day winning streak. US Dollar cheered risk aversion wave as central banks prefer higher rates for longer time. Easing in Indian trade deficit, traders' defense of 83.00 and softer oil prices favor pair sellers. US PMIs for December eyed for fresh impulse. USD/INR retreats to 82.75 from a 1.5-month high, marked the previous day, as global markets take a sigh of relief during early Friday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	147.00	156.10	GBP/USD	1.2260	1.2395
EUR/KES	128.00	136.10	EUR/USD	1.0690	1.0658
INR/KES		1.5785	AUD/USD	0.6745	0.6833
			USD/INR	81.75	82.20
			Commodities		
			Gold	1778	1793
			Brent Crude	80.93	82.15

T-Bills Rates:

Duration	Current	Previous
91 Days	9.356%	9.327%
182 Days	9.821%	9.796%
364 Days	10.299%	10.245%

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