

DAILY FOREX NEWSLETTER

Thursday 1st Dec 2022

The Kenya's shilling weakened on Wednesday to a new all-time low, undermined by dollar demand from importers, especially those in the energy sector.

Kenya's inflation edged lower to 9.5% year-on-year in November from 9.6% a month earlier, the statistics office said on Wednesday, its first drop since February as fuel and food prices eased.

Top News:

- Asian equities jumped on Thursday, while the dollar slid as investors poured into risky assets after Federal Reserve Chair Jerome Powell opened the door to a slowdown in the pace of monetary tightening.
- Oil prices nosed ahead in early Asian trade on Thursday, lifted by signs of tighter supply and by optimism over a Chinese demand recovery.

International Markets

USD: The dollar dipped on Wednesday after Federal Reserve Chairman Jerome Powell said that the U.S. Central Bank could scale back the pace of its interest rate hikes "as soon as December," helping to put the dollar index on track for its worst month since 2010.

GBP: Test of the descending triangle breakout will provide a buying opportunity at bargain prices. Fed's view of policy moderation has infused fresh blood into risk-sensitive currencies. Oscillation in the bullish range of 60.00-80.00 by the RSI (14) adds to the upside filters. The GBP/USD pair is displaying a lacklustre performance after dropping from the round-level resistance of 1.2100 in the Asian session. Exhaustion in the upside momentum has faded Cable's rally for a while, however, the upside bias is still intact amid the risk appetite theme.

EUR: EUR/USD retreats from intraday high to pare daily gains. Bullish MACD signals, steady RSI favor the rebound from 100-SMA. Double tops around 1.0480 appears a tough nut to crack for bulls. Sellers have a bumpy road to return unless breaking 200-SMA. EUR/USD grinds higher past 1.0400, taking rounds to 1.0430 during early Thursday, as bulls await the key data/events after posting the biggest monthly jump since September 2010.

INR: The Indian rupee strengthened 0.37% versus the U.S. dollar, amid a rally in Asian currencies after Powell's comments were viewed as dovish.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	144.00	153.80	GBP/USD	1.2140	1.2020
EUR/KES	124.00	132.80	EUR/USD	1.0485	1.0395
INR/KES		1.5785	AUD/USD	0.6850	0.6745
			USD/INR	80.10	80.60
			Commodities		
			Gold	1779	1754
			Brent Crude	86.75	83.98

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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