

DAILY FOREX NEWSLETTER

Monday 5th Dec 2022

The Kenyan shilling was stable on Friday, but it was likely to keep weakening due to insufficient dollar inflows and sustained demand from importers.

Top News:

- Asian shares extended their rally on Monday as investors hoped steps to unwind pandemic restrictions in China would eventually brighten the outlook for global growth and commodity demand, nudging the dollar down against the yuan.
- Oil prices jumped 2% on Monday after OPEC+ nations held their output targets steady ahead of a European Union ban and a price cap kicking in on Russian crude.

International Markets

USD: Most Asian currencies rose sharply on Monday as more Chinese cities relaxed some anti-COVID measures, while improving risk appetite and expectations of smaller rate hikes saw the dollar sink to an over five-month low

GBP: GBP/USD has refreshed its five-month high above 1.2340 and is expected to extend its rally amid a risk-on profile. After upbeat US NFP data, a better-than-projected US ISM Services PMI release would trigger a negative market impulse. Accelerated UK food inflation is impacting sentiment of households ahead of Christmas season. The GBP/USD pair has shifted its auction profile above the critical hurdle of 1.2300 in the Asian session. The Cable has witnessed significant buying interest from the market participants as the risk-on profile has strengthened further. The major has refreshed its five-month high above 1.2340 and is expected to extend its rally amid significant interest in risk-perceived assets.

EUR: EUR/USD has refreshed a five-month high above 1.0550 on positive market sentiment. A breakout of the neutral channel has exposed the pair for a fresh upside. The RSI (14) is aiming to shift into the bullish range of 60.00-80.00 for sheer bullish momentum. The EUR/USD pair has refreshed its five-month high at 1.0549 in the Asian session. The major currency pair has witnessed a juggernaut rally after a responsive buying action below 1.0440 on Friday. The US Dollar has witnessed immense pressure amid the risk appetite theme and is an inch far from testing the previous week's low around 104.38.

INR: The Indian rupee was weaker against the dollar than the previous session. The rupee had opened higher tracking Asian peers but ran into dollar demand from importers.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	147.40	156.50	GBP/USD	1.2380	1.2280
EUR/KES	126.40	134.50	EUR/USD	1.0620	1.0575
INR/KES		1.5785	AUD/USD	0.6881	0.6855
			USD/INR	80.45	80.18
			Commodities		
			Gold	1808	1797
			Brent Crude	86.30	87.01

T-Bills Rates:

Duration	Current	Previous
91 Days	9.275%	9.237%
182 Days	9.752%	9.733%
364 Days	10.225%	10.219%

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