

DAILY FOREX NEWSLETTER

Tuesday 6th Dec 2022

The Kenya's shilling inched lower on Monday, as residual dollar demand from fuel importers and the manufacturing sector outweighed limited inflows.

Top News:

- Oil prices edged higher on Tuesday, after a G-7 price cap on Russian seaborne oil came into force on Monday on top of a European Union embargo on imports of Russian crude by sea.
- Shares in the Asia-Pacific were mixed on Tuesday after Wall Street sold off overnight on fears that the Fed will keep increasing interest rates.

International Markets

USD: Most Asian currencies slipped on Tuesday as renewed fears of rising U.S. interest rates largely offset optimism over easing COVID-19 restrictions in China, with the dollar trading comfortably above a recent five-month low.

GBP: The pound Sterling has picked demand on ease in risk-off mood and firmer Like-For-Like Retail Sales data. A loss in upside momentum resulted in a sell-off in Cable. A bear cross, represented by the 20-and 50-period EMAs at 1.2230, adds to the downside filters. The GBP/USD pair has extended its recovery above the psychological resistance of 1.2200 in the Tokyo session. The Cable picked reversal after dropping to near 1.2167 as the risk-off impulse has trimmed marginally. Apart from that, upbeat Like-For-Like Retail Sales by the British Retail Consortium (BRC) have supported Pound Sterling.

EUR: EUR/USD remains pressured after reversing from five-month high, retreats from intraday high of late. Clear downsides break of one-week-old ascending trend line, bearish MACD signals favour sellers. Double tops near 1.0480 precede 100-SMA to challenge bears. EUR/USD pares intraday gains around 1.0500 during early Tuesday, fading the bounce off three-week-old horizontal support.

INR: USD/INR picks up bids to refresh multi-day top during three-day uptrend. Strong US data, fears surrounding RBI's rate hike favor buyers. Sluggish oil prices, pre-Fed blackout test upside momentum. USD/INR traders prepare for Wednesday's Reserve Bank of India (RBI) rate hike as the quote jumps to the one-month high near 82.32 during early Tuesday. In doing so, the Indian Rupee (INR) pair takes clues from the firmer US data, as well as downbeat economic concerns at home

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	145.20	154.70	GBP/USD	1.2240	1.2380
EUR/KES	125.10	133.70	EUR/USD	1.0540	1.0620
INR/KES		1.5785	AUD/USD	0.6780	0.6881
			USD/INR	81.20	80.45
			Commodities		
			Gold	1772	1808
			Brent Crude	83.06	86.30

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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