

DAILY FOREX NEWSLETTER

Wednesday 7th Dec 2022

The Kenya's shilling edged lower on Tuesday as importers sought dollars to make year-end and Christmas orders amid a paucity of inflows.

Top News:

- Asia's stock markets wobbled lower on Wednesday as reality bit on hopes for a soft economic landing in the United States, and investors curbed their enthusiasm about China's reopening.
- Oil prices were mixed in early Asian trade on Wednesday after falling to their lowest settlement levels this year as economic uncertainty and the prospect of higher interest rates pressured prices.

International Markets

USD: The U.S. dollar was up slightly against the euro and yen on Tuesday as U.S. stocks sold off, while investors were trying to position for next week's expected interest rate hike from the U.S. Federal Reserve.

GBP: GBP/USD is aiming to build a cushion around 1.2120 as the US Dollar is displaying chaotic moves. Phenomenal strength in the United States economy is not favourable for Fed's current monetary policy. UK's food supply crisis is expected to accelerate already higher food inflation further. The GBP/USD pair has witnessed a marginal correction after picking demand near the crucial support of 1.2120 in the Asian session. The Cable has attempted a recovery backed by volatile moves shown by the US Dollar Index (DXY). It would be early to cite that the risk aversion theme has faded amid an absence of a positive trigger. Therefore, the Cable's recovery moves need to pass more filters ahead.

EUR: EUR/USD renews intraday high as bears take a breather after two-day downtrend. Fear of economic slowdown jostle with China-linked optimism to challenge market sentiment. Mixed comments from ECB policymakers, firmer German Factory Orders underpin bullish bias. Softer US trade numbers, absence of Fed talks add strength to the recovery hopes as traders await final reading of Eurozone Q3 GDP. EUR/USD picks up bids to refresh intraday high near 1.0470 during early Wednesday. However, the quote remains on the bear's radar as it fails to print major gains ahead of the final readings of the Eurozone Gross Domestic Product (GDP) for the third quarter.

INR: USD/INR eases from one-month high on the Reserve Bank of India rate hike. RBI announces 0.35% increase to benchmark Repo rate, as expected. Sluggish US Dollar, cautious optimism surrounding China and sticky Oil price also favor Indian Rupee. USD/INR fades upside momentum, after an initial pullback from the monthly high, as the Reserve Bank of India's (RBI) interest rate increased on Wednesday. That said, the Indian Rupee pair remains firmer around a one-month high near 82.70 by the press time

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	120.80	126.70			
GBP/KES	145.00	153.85	GBP/USD	1.2180	1.2240
EUR/KES	125.00	133.10	EUR/USD	1.0520	1.0540
INR/KES		1.5785	AUD/USD	0.6745	0.6780
			USD/INR	81.25	81.20
			Commodities		
			Gold	1772	1772
			Brent Crude	79.47	83.06

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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