

DAILY FOREX NEWSLETTER

Wednesday 11th Jan 2023

The Kenya's shilling held steady against the dollar on Tuesday, it was likely to weaken due to increased demand for dollars from the manufacturing sector.

Top News:

- Asian equities edged higher on Wednesday, while the dollar steadied as investors braced for U.S. inflation data that will influence the Federal Reserve's interest rate policy.
- Oil prices fell on Wednesday, erasing the previous session's gains, after industry data showed an unexpected build in crude and fuel inventories in the United States, the world's biggest oil user, which reignited worries about fuel demand.

International Markets

USD: Asian currency markets edged lower on Wednesday as traders stepped back from risk-driven assets ahead of economic cues from key inflation readings this week, while the dollar steadied from recent losses

GBP: The risk profile seems positive led by the continuation of upside movement in the S&P500. A rangebound auction is expected from the USD Index ahead of the US inflation data. The Cable has picked strength after dropping to near the round-level support around 1.2100. The GBP/USD pair has picked up demand after dropping to near 1.2140 in the Asian session. The Cable is attempting to come out of the woods but might first approach 1.2200 to regain sheer strength. The risk appetite of the market participants is improving further as S&P500 futures have carry-forwarded Tuesday's gains in early Tokyo.

EUR: EUR/USD picks up bids to reverse the previous day's pullback inside weekly rectangle formation. Short-term ascending trend line, bull cross keeps buyer's hopeful amid firmer RSI. Late December top adds to the downside filters. EUR/USD renews its intraday high around 1.0750 as it extends the day-start recovery during a sluggish mid-Asian session of Wednesday. In doing so, the major currency pair prints mild gains inside a three-day-old rectangle formation.

INR: USD/INR pares recent losses with mild gains around the key support, snaps five-day losing streak. Nearly oversold RSI conditions add strength to recovery expectations. Previous support line from early August, two-month-old horizontal resistance challenge bulls. Lows marked during December, November can entertain bears ahead of 200-DMA. USD/INR rebounds from the lowest levels since December, marked the previous day, as prints the first daily gains around 81.75 on early Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	121.40	128.50			
GBP/KES	147.00	156.50	GBP/USD	1.2199	1.2195
EUR/KES	130.00	138.45	EUR/USD	1.0789	1.0785
INR/KES		1.5765	AUD/USD	0.6965	0.6955
			USD/INR	81.15	81.21
			Commodities		
			Gold	1877	1872
			Brent Crude	79.35	79.16

T-Bills Rates:

Duration	Current	Previous
91 Days	9.392%	9.369%
182 Days	9.847%	9.834%
364 Days	10.369%	10.308%

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