

DAILY FOREX NEWSLETTER

Friday 13th Jan 2023

The Kenya's shilling was stable on Thursday, and it was expected it to weaken due to increased demand for dollars from manufacturing companies and oil retailers.

Top News:

- Asia Pacific shares traded mostly higher after the U.S. consumer price index showed inflation cooled in December, raising investors' hopes that the Federal Reserve can return to slower interest rate hike.
- Oil prices gained about \$1 a barrel on Thursday, supported by figures showing U.S consumer prices unexpectedly fell in December and by optimism over China's demand outlook.

International Markets

USD: The dollar swayed on Friday as cooling U.S. inflation raised hopes of the Federal Reserve slowing the pace of interest rate hikes, while the yen hovered around seven months high on mounting speculation the Bank of Japan could further tweak its ultra-easy monetary policy.

GBP: GBP/USD retreats from intraday high to pare the biggest weekly gain since late November. RSI pullback from nearly overbought conditions adds strength to the pullback moves. 200-SMA, weekly support line appears crucial challenge for bears. UK monthly GDP, output and trade numbers for November will be crucial to watch. GBP/USD prints mild losses around 1.2200 as bulls take a breather at the monthly high ahead of the key UK data on early Friday. In doing so, the Cable pair consolidates the biggest weekly gains in six while printing the double top bearish chart formation on the four-hour play.

EUR: EUR/USD has slipped marginally to near 1.0860 as the strength of the risk-on mood has eased. Fed Bostic has favoured a 25-bps rate hike culture amid slowing US inflation. The ECB is expected to reach the terminal rate by the Summer. The EUR/USD pair has sensed marginal selling pressure after failing to surpass the immediate resistance of 1.0860 in the Tokyo session. The major currency pair is demonstrating signs of a loss in the upside momentum amid a recovery in the alpha generated by the US Treasury bonds. The 10-year US Treasury yields have rebounded to near 3.46%

INR: USD/INR seesaws near five-week low as bears take a breather after six-day downtrend. Upbeat Oil prices, unimpressive details from India join mixed China inflation to keep buyer's hopeful. Markets brace for softer US inflation, but a surprise can't be ruled out. USD/INR treads water around 81.65 as bears run out of steam after six-day dominance. In doing so, the Indian Rupee (INR) pair trades near the lowest level since early December while printing minor gains for the first time in over a week.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	124.50	129.60			
GBP/KES	149.50	158.20	GBP/USD	1.2250	1.2198
EUR/KES	133.10	140.80	EUR/USD	1.0882	1.0795
INR/KES		1.5975	AUD/USD	0.6995	0.6955
			USD/INR	81.05	81.07
			Commodities		
			Gold	1895	1884
			Brent Crude	83.65	82.73

T-Bills Rates:

Duration	Current	Previous
91 Days	9.425%	9.392%
182 Days	9.859%	9.847%
364 Days	10.432%	10.369%

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