

# DAILY FOREX NEWSLETTER

Monday 16th Jan 2023

The Kenya's shilling weakened on Friday, hitting a new record low due to increased dollar demand from oil retailing companies and general goods importers.

### Top News:

- Asian shares edged higher on Monday as investors waited nervously to see whether the Bank of Japan (BOJ) would defend its super-sized stimulus policy at a pivotal meeting this week, while a holiday in U.S. markets made for thin trading.
- Oil prices dipped in early Asian trade on Monday but held close to the highest levels since the start of the year on optimism that China's reopening will lift fuel demand at the world's top crude importer.

### International Markets

**USD:** Most Asian currencies advanced against the dollar on Monday, cheered largely by the prospect of smaller interest rate hikes by the Federal Reserve, while speculation over another hawkish move by the Bank of Japan pushed the yen to an over seven-month peak.

**GBP:** GBP/USD extends a three-day winning streak, targeting 1.2300. Broad US Dollar weakness, light trading underpinning Cable's uptrend. Pound Sterling takes out critical resistance at 1.2250, Bailey in focus. GBP/USD has started a new week with a bang, extending the previous week's uptrend into the third straight day on Monday. Pound Sterling bulls benefit from a broadly weaker US Dollar, as risk sentiment remains in a firmer spot so far this session.

**EUR:** EUR/USD has refreshed its eight-month high above 1.0870 amid a positive risk-impulse. Volatility in the USD Index has escalated as the appeal for safe-haven assets has dropped. After slowing the extent of the interest rate hike to 50 bps, the Fed is expected to trim rate hike pace further to 25 bps. The EUR/USD pair has displayed a decent upside after breaking above the critical resistance of 1.0840 in the Asian session. The major currency pair has refreshed its eight-month high above 1.0870 as the risk profile is soaring amid rising consensus for a less-hawkish monetary policy stance by the Federal Reserve (Fed) in its February monetary policy meeting.

**INR:** The Indian rupee was little changed to the U.S. dollar on Monday, with traders wary that the local currency may not see much upside on foreign equity outflows and the possibility of the Central Bank's intervention.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	123.50	129.80			
<b>GBP/KES</b>	150.50	159.60	<b>GBP/USD</b>	1.2295	1.2250
<b>EUR/KES</b>	133.20	141.30	<b>EUR/USD</b>	1.0895	1.0882
<b>INR/KES</b>		1.6020	<b>AUD/USD</b>	0.6740	0.6995
			<b>USD/INR</b>	81.02	81.05
			<b>Commodities</b>		
			<b>Gold</b>	1920	1895
			<b>Brent Crude</b>	84.66	83.65

### 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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