

# DAILY FOREX NEWSLETTER

Wednesday 18th Jan 2023

The Kenyan shilling was slightly weaker on Tuesday, pressured by foreign-currency demand from importers.

### Top News:

- Gold prices inched lower on Wednesday as the U.S. dollar firmed, while expectations of a slowdown in the pace of Federal Reserve interest rate hikes limited the losses.
- Oil prices rose on Wednesday, extending the previous session's gains, driven by optimism that a relaxation of China's strict Covid curbs will lead to a recovery in fuel demand in the world's top oil importer.

### International Markets

**USD:** The dollar fell against most major currencies on Tuesday in choppy trading, weighed down by expectations of a possible policy shift at the Bank of Japan that could end its so-called "yield curve control" and be a precursor to adopting a tighter monetary stance.

**GBP:** GBP/USD grinds near five-week high inside bearish chart formation. Divergence between higher-high on prices and lower high on RSI (14) tease sellers. Upside break of 1.2345 could defy the bearish signals and challenge previous monthly top. UK Inflation may disappoint pair buyers amid mixed forecasts. GBP/USD picks up bids to defend the previous day's run-up around the 1.2300 round figure, despite posting only 0.08% intraday gains, as the Cable pair traders await the UK's key inflation data on early Wednesday. Even so, the quote stays inside an eight-day-old rising wedge bearish chart formation.

**EUR:** EUR/USD bears taking on the key 1.0780/70s. EUR/USD could be on the 3way to 1.0720 for the days ahead. As per the prior analysis, EUR/USD Price Analysis: Downside thesis gaining traction, bears hunting down 1.0770s that guard 1.0750, there remains a bearish bias in play while the price is below the 1.0870s. The 1.0800 structure was broken in trade on Tuesday and should the bears commit below there, there is every likelihood of a sharp move into 1.0720 for the sessions ahead.

**INR:** The Indian rupee was rangebound against the U.S. dollar on Wednesday following the Japanese yen-led decline in Asian currencies after the Bank of Japan stuck to its ultra-easy monetary policy.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	125.50	130.80			
<b>GBP/KES</b>	151.80	160.95	<b>GBP/USD</b>	1.2340	1.2240
<b>EUR/KES</b>	133.30	141.20	<b>EUR/USD</b>	1.0795	1.0865
<b>INR/KES</b>		1.6180	<b>AUD/USD</b>	0.7055	0.6995
			<b>USD/INR</b>	81.15	81.12
			<b>Commodities</b>		
			<b>Gold</b>	1900	1912
			<b>Brent Crude</b>	86.60	84.67

### T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2