

# DAILY FOREX NEWSLETTER

Thursday 19th Jan 2023

The Kenyan shilling was broadly stable on Wednesday, although it could weaken on increased foreign-currency demand from importers in sectors like energy and manufacturing.

### Top News:

- Asian stock markets struggled to make headway on Thursday, after weak U.S. consumer data stoked recession worries and nudged investors toward safe assets such as bonds, while Japan's yen rose as markets doubted the Bank of Japan's policy commitments.
- Oil futures fell as much as \$1 on Thursday over recession fears as a sharp decline in U.S. retail sales and manufacturing output muddled the outlook for demand, while industry data showing a surprise jump in U.S. crude stocks also weighed on prices.

### International Markets

**USD:** The dollar rose against major currencies on Wednesday in choppy trading, gaining safe-haven bids as risk appetite worsened with stocks on the defensive amid hawkish comments from U.S. Federal Reserve officials that suggested more interest rate increases are likely to tame inflation

**GBP:** GBP/USD is finding an immediate cushion above 1.2300 as USD Index displays a subdued performance. US Treasury yields have fallen to fresh multi-month lows amid a decline in inflation projections. Minor softening of UK inflation is insufficient to trim hawkish BoE bets. The GBP/USD pair is looking for intermediate support around 1.2320 in the Asian session. The cable is aiming to resume its upside journey as the US Dollar Index is displaying a subdued performance, failing to capitalize on Wednesday's V-shape recovery. Also, falling US Treasury yields have weighed on the USD Index

**EUR:** EUR/USD has continued to juggle below 1.0800 as the focus has shifted to ECB Lagarde's speech. Weak retail demand and lower US PPI resulted in a sell-off in the S&P500 futures. The speech from ECB' Lgarade will provide cues about the likely monetary policy action ahead. The EUR/USD pair is displaying a lacklustre performance below the critical resistance of 1.0800 in the Asian session. The major currency pair has turned sideways as investors are awaiting the speech from European Central Bank (ECB) President Christine Lagarde for fresh impetus.

**INR:** USD/INR holds lower ground as bears cheer three-day downtrend amid softer US Dollar. Downbeat US data, mixed Fed speak weigh on the greenback. Optimism surrounding China, softer Oil price adds strength to the INR. USD/INR stays pressured for the third consecutive day, mildly offered near 81.30 amid the initial hour of Thursday's Indian trading session. In doing so, the Indian Rupee pair cheers the broad US Dollar weakness, as well as firmer prices of Oil. Also keeping the INR firmer is the cautious optimism in Asia, mainly due to upbeat concerns surrounding China and softer yields.

### 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>	152.70	161.50	<b>GBP/USD</b>	1.2370	1.2340
<b>EUR/KES</b>	133.60	141.50	<b>EUR/USD</b>	1.0845	1.0795
<b>INR/KES</b>		1.6180	<b>AUD/USD</b>	0.6945	0.7055
			<b>USD/INR</b>	81.06	81.15
			<b>Commodities</b>		
			<b>Gold</b>	1909	1900
			<b>Brent Crude</b>	83.94	86.60

### 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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