

DAILY FOREX NEWSLETTER

Monday 23rd Jan 2023

The Kenyan shilling weakened to a new all-time low on Friday, undercut by dollar demand from the energy sector and food importers weighing against tight inflows. Kenya's Central Bank expects inflation to fall within its target range during the first quarter of 2023 and is comfortable with its trajectory, Governor Patrick Njoroge said at the World Economic Forum in Davos, Switzerland.

Top News:

- Oil prices drifted lower in early trade on Monday, thinned by the Lunar New Year holiday in east Asia, but held on to most of last week's gains on the prospect of an economic recovery in top oil importer China this year.
- Markets in the Asia-Pacific traded higher as investors digested Japan's inflation data. The nationwide core consumer price index rose 4% in December on an annualized basis, the fastest pace since 1981.

International Markets

USD: Most Asian currencies strengthened in thin trade on Monday, while the dollar weakened further amid growing bets that the Chinese economy will bounce back this year, with focus also turning to key U.S. data due this week.

GBP: GBP/USD takes the bids to refresh intraday high, up for the fifth consecutive day. Expectations of UK stimulus bolster as British business push PM Sunak to act on growth reforms. Hawkish Fed talks fail to underpin US Dollar rebound amid downbeat US data, expectations of soft landing. First readings of January's PMI, US Q4 GDP will be crucial for clear directions. GBP/USD news intraday top near 1.2435 as Cable buyers cheer the broadly down US Dollar and hopes of stimulus from UK Prime Minister (PM) Rishi Sunak during early Monday. In doing so, the Cable pair rises for the fifth consecutive day while poling the key resistance line stretched from early December 2022.

EUR: EUR/USD buyers flirt with nine-month high during three-day uptrend. Sustained trading beyond previous resistance line, bullish MACD signals favour bulls. Nearly overbought RSI conditions probe further upside amid multiple hurdles to the north. EUR/USD picks up bids to challenge the nine-month high surrounding 1.0900 as bulls keep the reins for consecutive three days to early Monday. In doing so, the major currency pair cheers bullish MACD signals while extending the run-up beyond the previous resistance line from mid-December 2022.

INR: USD/INR licks its wound after refreshing multi-day low. Strong foreign inflow, broad US Dollar weakness underpins USD/INR slump. Hawkish Fed talks fail to impress USD bulls amid hopes of easy rate hike in February, policy pivot afterward. Markets expect RBI to curb Indian Rupee strength around 81.00 round figure, Advance readings of US Q4 GDP eyed too. USD/INR pares intraday losses around 81.00, after declining to the lowest levels since early November 2022 during early Monday's trading in India. In doing so, the Indian Rupee (INR) pair cheers the broad US Dollar weakness, as well as the heavy inflow to the Indian economy, while also portraying the fears of the Reserve Bank of India's market intervention.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.00			
GBP/KES	154.00	162.95	GBP/USD	1.2465	1.2395
EUR/KES	135.00	142.95	EUR/USD	1.0945	1.0861
INR/KES		1.6230	AUD/USD	0.6755	0.6965
			USD/INR	81.00	81.01
			Commodities		
			Gold	1924	1924
			Brent Crude	87.35	86.30

T-Bills Rates:

Duration	Current	Previous
91 Days	9.474%	9.425%
182 Days	9.891%	9.859%
364 Days	10.47%	10.432%

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