

# DAILY FOREX NEWSLETTER

Tuesday 24th Jan 2023

The Kenya's shilling weakened on Monday to a fresh record low due to increased demand for dollars from the energy sector and general goods importers.

## Top News:

- Crude oil futures failed to hold early gains and ended roughly flat on Monday amid concerns about the outlook for oil demand due to a potential U.S. recession.
- Markets in the Asia-Pacific traded higher as Lunar New Year holidays were observed in most of the region.

## International Markets

**USD:** The dollar slipped against the euro on Monday, at one point hitting a fresh 9-month low, as the common currency found support from European Central Bank officials' comments signaling additional jumbo interest rate rises in Europe.

**GBP:** GBP/USD is showing a lacklustre performance as investors await US/UK PMIs for fresh cues. The Fed might decelerate its interest rate hike pace again to 25 bps in its February policy meeting. UK's Manufacturing PMI might trim to 45.0 while Services PMI to remain steady at 49.9. The GBP/USD pair is displaying topsy-turvy moves around 1.2380 as investors are awaiting the release of the S&P PMI number for the United States and the United Kingdom for fresh impetus. The Cable is demonstrating signs of volatility contraction as market sentiment has been caught by caution.

**EUR:** EUR/USD is eyeing a re-test of 1.0900 amid the risk-on market mood. Investors' risk-taking capacity is improving again as the Fed might trim the policy tightening pace further. The ECB looks all set to hike interest rates further by 50 bps to 3.25%. The EUR/USD pair is aiming to extend its journey toward the round-level resistance of 1.0900 in the Asian session. The asset has picked strength as the risk-on impulse is gaining traction again. The demand for the major currency pair is escalating amid divergence policy stances for the Federal Reserve (Fed) and European Central Bank (ECB) interest rate hike projections.

**INR:** USD/INR remains firmer for the second consecutive day, grinds near intraday top. Successful break of three-week-old descending trend line, upbeat oscillators suggest upside break of 100-DMA. Previous support line from early August 2022 acts as the last defense of USD/INR bears. USD/INR holds onto the week-start breakout of the previously key resistance line as bulls flirt with the 81.65 level during an initial hour of the Indian trading session on Tuesday. Even so, the 100-DMA challenges the immediate upside moves near 81.80.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.00			
GBP/KES	153.50	162.85	GBP/USD	1.2425	1.2465
EUR/KES	134.80	142.95	EUR/USD	1.0895	1.0945
INR/KES		1.6230	AUD/USD	0.7055	0.6755
			USD/INR	81.14	81.00
			Commodities		
			Gold	1932	1924
			Brent Crude	88.17	87.35

## 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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