

# DAILY FOREX NEWSLETTER

Wednesday 25th Jan 2023

The Kenya's shilling struck a new all-time low against the dollar on Tuesday, weighed down by foreign-currency demand from oil-retailing companies and the manufacturing sector.

### Top News:

- Asian equities extended their winning run to scale their highest levels in seven months on Wednesday, with South Korean stocks leading the way, and the Australian dollar hit multi-month highs as surging inflation made higher interest rates more likely.
- Crude oil prices rebounded on Wednesday as demand recovery hopes in top importer China following its exit from COVID-19 pandemic curbs provided support after prices dropped in the previous session on concerns about global economic growth.

### International Markets

**USD:** The dollar edged lower against the euro on Tuesday after data showed euro zone business activity made a surprise return to modest growth in January, while U.S. business activity shrank for a seventh straight month.

**GBP:** GBP/USD aims to paddle beyond 1.2350 after a V-shape recovery, US GDP in focus. The GBP/USD pair is looking to extend its recovery move above the immediate resistance of 1.2340 in the early Tokyo session. The Cable delivered a V-shape recovery on Tuesday after S&P reported better-than-projected preliminary United States PMI data (Jan). It seems that the street was expecting an upbeat performance and therefore supporting the US Dollar Index earlier.

**EUR:** EUR/USD is getting prepared for shifting the auction profile above 1.0900 as USD Index has turned subdued. The ECB may hike interest rates further by 50 bps and may not reach the terminal rate by the end of summer. Uncertainty over the US GDP data has supported US yields to rebound to near 3.47%. The EUR/USD pair has refreshed its day's high minutely above the round-level resistance of 1.0900 and is aiming to shift the auction profile above the same. The major currency pair has sharply moved higher after sensing a responsive buying action from the critical support of 1.0840. The Euro has gained significant buying interest as the odds of an extreme policy tightening by ahead are soaring dramatically.

**INR:** USD/INR retreats from weekly high, prints mild losses of late. Greenback remains depressed as US activities shrank for the seventh consecutive month. Cautious mood ahead of key data/events join sluggish yields, Oil price rebound to probe Indian Rupee buyers. USD/INR bulls take a breather after a two-day uptrend amid Wednesday's sluggish markets, refreshing intraday low near 81.50 at the latest. In doing so, the Indian Rupee (INR) pair traces the inactive yields, as well as the mixed performance of the US Dollar, amid a light calendar at home.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	125.50	131.20			
<b>GBP/KES</b>	153.00	162.10	<b>GBP/USD</b>	1.2355	1.2425
<b>EUR/KES</b>	135.30	143.50	<b>EUR/USD</b>	1.0955	1.0895
<b>INR/KES</b>		1.6230	<b>AUD/USD</b>	0.7155	0.7055
			<b>USD/INR</b>	81.13	81.14
			<b>Commodities</b>		
			<b>Gold</b>	1929	1932
			<b>Brent Crude</b>	86.42	88.17

### T-Bills Rates:

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

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