

# DAILY FOREX NEWSLETTER

Thursday 26th Jan 2023

The Kenya's shilling was stable on Wednesday, but it was expected to weaken due to increased demand for dollars from the energy and manufacturing sectors.

### Top News:

- Oil prices were up in early Asian trade on Thursday as U.S. crude stocks rose less than expected, while a weaker dollar made oil cheaper for non-American buyers.
- Asia-Pacific shares traded mixed on Thursday as investors digested a slew of economic data.

### International Markets

**USD:** The dollar lolled near an eight-month low against its peers on Thursday, as a gloomy U.S. corporate earnings season stoked recession fears and as traders stayed on guard ahead of a slew of central bank meetings next week.

**GBP:** GBP/USD is looking to shift its auction above 1.2400 for a fresh upside, supported by the risk-on impulse. The US economic data will be on the radar for further guidance. A lower UK PPI might trim inflation projections and will delight the BoE. The GBP/USD pair is aiming to shift its auction profile above the critical resistance of 1.2410 in the Tokyo session. The cable is struggling to extend its recovery, however, the upside bias is solid as investors have underpinned the risk aversion theme. Market sentiment is highly positive as the S&P500 futures are displaying moderate gains in Asia.

**EUR:** EUR/USD struggles after six-day uptrend, seesaws near nine-month high. Overbought RSI conditions join six-week-old resistance line to challenge further upside. Bears need validation from the 10-DMA to retake control. EUR/USD bounces off intraday low to around 1.0920 as it consolidates weekly gains, the third one in a row, ahead of the US fourth quarter (Q4) Gross Domestic Product (GDP) on Thursday.

**INR:** USD/INR pares recent losses amid holiday in India, cautious mood ahead of key US data. Mixed sentiment restricts market moves as traders await US Q4 GDP, PCE Price data. Odds favoring higher foreign fund inflow and softer Oil price favor INR buyers. Concerns surrounding Fed's pivot keep US Dollar on a dicey floor. USD/INR retreats to 81.45 while paring the intraday gains during early Thursday. The Indian Rupee (INR) pair initially reacted to the US Dollar's corrective bounce ahead of the key data but price-positive signals for the INR joined Indian holidays to recall the bears.

### 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>	154.00	162.80	<b>GBP/USD</b>	1.2450	1.2355
<b>EUR/KES</b>	135.50	143.50	<b>EUR/USD</b>	1.0945	1.0955
<b>INR/KES</b>		1.6230	<b>AUD/USD</b>	0.7145	0.7155
			<b>USD/INR</b>	81.19	81.13
			<b>Commodities</b>		
			<b>Gold</b>	1945	1929
			<b>Brent Crude</b>	86.01	86.42

### 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