

# DAILY FOREX NEWSLETTER

Monday 30<sup>th</sup> Jan 2023

The Kenya's shilling was steady on Friday, but it was expected to weaken due to increased demand for dollars from oil retailing companies and general goods importers.

### Top News:

- Oil prices kept to a tight range on Monday amid uncertainty over a drone attack on an Iranian facility and a Russia-led supply glut, although optimism over a demand recovery in China helped drive some gains.
- Stocks in the Asia-Pacific traded higher as traders digested Tokyo's January core consumer prices that rose 4.3%, also faster than estimates — nearing the highest for Japan's capital since mid-1981.

### International Markets

**USD:** The dollar firmed on Monday and distanced itself from an eight-month trough ahead of a slew of central bank meetings this week, including the Federal Reserve's, with traders keenly focused on guidance for the path of interest rate rises.

**GBP:** GBP/USD bears are lined up ahead of the Fed and the BoE. The data has not been kind to the pound and there could be more to come this week. GBP/USD dropped on Friday due to the fears that the United Kingdom economy's slowdown may prompt the BoE that meets this week to slow down on its rate hike cycle sooner than originally thought. At the time of writing, GBP/USD is trading at 1.2390 and has travelled between a low of 1.2372 and 1.2404 so far.

**EUR:** EUR/USD pauses two-day downtrend but struggles to extend intraday gains. Markets sentiment remains divided as firmer yields probe stock futures while Asian equities cheer China's return. Hawkish concerns from ECB contrast with hopes of Fed's dovish hike to tease buyers. Germany's preliminary Q4 GDP could direct intraday traders amid a light calendar in the US. EUR/USD treads water around 1.0870-60 as markets remain on a dicey floor ahead of the key central bank meetings and data. Adding strength to the market's indecision could be the return of China and fears of a softer growth number from Germany.

**INR:** The Indian rupee weakened 0.17% per U.S. dollar, as traders cited heavy dollar buying at the beginning of a week packed with global central bank meetings and India's budget.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	125.50	131.60			
<b>GBP/KES</b>	154.50	163.50	<b>GBP/USD</b>	1.2435	1.2440
<b>EUR/KES</b>	135.50	143.50	<b>EUR/USD</b>	1.0915	1.0925
<b>INR/KES</b>		1.6230	<b>AUD/USD</b>	0.7135	0.7155
			<b>USD/INR</b>	81.05	81.23
			<b>Commodities</b>		
			<b>Gold</b>	1933	1921
			<b>Brent Crude</b>	86.43	86.01

### T-Bills Rates:

Duration	Current	Previous
91 Days	9.538%	9.474%
182 Days	9.954%	9.891%
364 Days	10.504%	10.47%

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