

# DAILY FOREX NEWSLETTER

Tuesday 31st Jan 2023

The Kenya's shilling weakened on Monday, due to increased demand for dollars predominantly from oil importers.

Kenya's Central Bank held its benchmark lending rate steady at 8.75% on Monday, its monetary policy committee said, saying its last hike in November was still working its way through the economy.

## 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>	153.60	162.50	<b>GBP/USD</b>	1.2385	1.2435
<b>EUR/KES</b>	135.00	142.80	<b>EUR/USD</b>	1.0880	1.0915
<b>INR/KES</b>		1.6230	<b>AUD/USD</b>	0.7077	0.7135
			<b>USD/INR</b>	81.28	81.05
			<b>Commodities</b>		
			<b>Gold</b>	1919	1933
			<b>Brent Crude</b>	84.78	86.43

## T-Bills Rates:

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

## Top News:

- Asian shares traded cautiously, and bonds nursed small losses on Tuesday as investors braced for an eventful week that includes Central Bank meetings, a slew of earnings reports and key U.S. economic data.
- Oil prices steadied in early Asian trade on Tuesday after falling by more than 2% in the previous session on the threat of further interest rate hikes and continued Russian crude flows.

## International Markets

**USD:** Most Asian currencies moved little on Tuesday, while the dollar retained recent gains as caution kicked in ahead of a Federal Reserve meeting this week, with any signals on U.S. monetary policy squarely in focus.

**GBP:** The Cable has found a cushion as the USD Index has extended its correction. Pound Sterling bulls have found support from the 200-EMA around 1.2350. A breakdown of the RSI (14) into the 20.00-40.00 range will trigger the bearish momentum. The GBP/USD pair has sensed a buying interest after dropping below 1.2340 in the Asian session. On Monday, the Cable witnessed selling pressure after failing to sustain above the round-level resistance of 1.2400. The major has shown a rebound amid a correction in the US Dollar Index (DXY) below 101.80, however, the downside bias for Cable is still solid amid overall pessimism in the market.

**EUR:** EUR/USD has extended its downside below 1.0850 as the risk-off impulse has strengthened. Following the footprints of the German GDP, Eurozone GDP could display a contraction too. The street is expecting a 25-bps interest rate hike from the Fed and a 50-bps rate hike from the ECB. The EUR/USD pair has extended its downside move below 1.0850 after an intensive selling action by the market participants around 1.0860. The pullback move displayed by the shared currency pair met with significant offers as the US Dollar Index has shown a stellar recovery after correcting to near 101.80.

**INR:** The Indian rupee eased on Tuesday against a stronger dollar, with investors keeping a close eye on equity markets while they awaited the domestic Union budget and the U.S. Federal Reserve meeting.

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