

DAILY FOREX NEWSLETTER

Wednesday 4th Jan 2023

The Kenyan shilling was broadly stable in thin trade on Tuesday.

Top News:

- Markets in the Asia-Pacific traded mixed to commence the first trading week for the year.
- Oil prices have had a soft start to the New Year, as demand concerns come to the fore. Increased talk of recession plus the Covid situation in China have made markets more wary. Fears over the northern hemisphere winter have also been calmed with milder weather forecast.

International Markets

USD: Most Asian currencies rose slightly on Wednesday as a recovery in the dollar appeared to have run out of steam, with markets now awaiting fresh cues on U.S. monetary policy from the minutes of the Federal Reserve's December meeting.

GBP: GBP/USD has turned sideways around 1.2000 as investors await US ISM PMI data for fresh cues. The Cable has comfortably established below the 200-EMA at 1.2024. Value-buying persist in the Cable as RSI (14) managed to recover firmly after dropping inside the bearish range. The GBP/USD pair is attempting to surpass the psychological resistance of 1.2000 in the Asian session. The Cable is displaying topsy-turvy moves in a range of 1.1960-1.2000 as investors are awaiting the release of United States ISM Manufacturing PMI data for fresh impetus.

EUR: EUR/USD is rebounding toward 1.0600 amid a broad US Dollar retreat. Hawkish ECB-speak power the Euro amid weak US Treasury yields. EUR/USD is not out of the woods yet amid a symmetrical triangle breakdown. EUR/USD is attempting a minor recovery toward 1.0600 early Wednesday, as the US Dollar reverses its recovery amid the return of risk flows. The US Dollar drops in tandem with the US Treasury yields, as investors reposition themselves ahead of the US ISM Manufacturing PMI and Fed Minutes due later this Wednesday

INR: The Indian rupee strengthened 0.06% versus the U.S. dollar, as oil eases while traders now await minutes of the Fed's latest meeting. The benchmark BSE Sensex .BSESN fell 368.82 points, or 0.6%, to 60,925.38, while the broader NSE index .NSEI lost 80.7 points, or 0.44%, to 18,151.85, ahead of the U.S. Federal Reserve's release of minutes from its December meeting, in which the central bank is expected to give a glimpse of its policy tightening path in 2023.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	121.40	128.00			
GBP/KES	145.00	153.85	GBP/USD	1.2040	1.2105
EUR/KES	127.10	135.80	EUR/USD	1.0595	1.0695
INR/KES		1.5610	AUD/USD	0.6845	0.6855
			USD/INR	81.74	81.77
			Commodities		
			Gold	1846	1840
			Brent Crude	81.95	85.53

T-Bills Rates:

Duration	Current	Previous
91 Days	9.369%	9.37%
182 Days	9.834%	9.825%
364 Days	10.308%	10.31%

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