

DAILY FOREX NEWSLETTER

Thursday 5th Jan 2023

The Kenyan shilling was steady on Wednesday, with limited foreign-currency demand from oil importers matched by supply.

Top News:

- Asia-Pacific markets climbed as investors shrug off the U.S. Federal Reserve's commitment to higher interest rates in tackling inflation. Mainland China's Shenzhen Component was up 2.42%, while the Shanghai Composite rose 1.03%
- Oil prices rebounded on Thursday amid dollar weakness and as investors emerged to buy dips after two sessions of steep losses, though economic concerns capped recovery.

International Markets

USD: Most Asian currencies moved little on Thursday as markets weighed mixed signals on monetary policy from the minutes of the Federal Reserve's December meeting, while the Japanese yen was supported by reports that the Bank of Japan plans to raise its inflation forecasts.

GBP: The Cable is displaying a sideways auction ahead of US Employment data. Investors' risk appetite has trimmed as S&P500 futures are facing immense heat. The RSI (14) has slipped into the 40.00-60.00 range, which indicates a consolidation ahead. The GBP/USD pair is displaying topsy-turvy moves around 1.2050 in the Asian session. The Cable asset has turned sideways as investors are awaiting the release of the Automatic Data Processing (ADP) Employment data, which is scheduled for Thursday before the release of the United States Nonfarm Payrolls data.

EUR: EUR/USD has attempted to come out of the woods on a bullish note amid an upbeat market mood. Fed's Kashkari sees interest rate peak around 5.4% to tame soaring inflation. Falling energy prices in Eurozone have supported lower consensus for HICP data. The EUR/USD pair attempts to deliver a breakout of its consolidation range in the Asian session formed above the round-level support of 1.0600. The major currency pair will likely remain bullish amid the risk-on market mood.

INR: The Indian rupee was little changed versus the U.S. currency, as traders cited dollar buying by state-run banks. Benchmark 10-year bond IN072632G=CC was quoted at 99.58 rupees, with yield unchanged at 7.3194%, as markets awaited fresh triggers in the form of a further move in oil prices and debt supply on Friday

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	1.2080	1.2040
EUR/KES	127.10	135.80	EUR/USD	1.0645	1.0595
INR/KES		1.5610	AUD/USD	0.6845	0.6845
			USD/INR	81.75	81.74
			Commodities		
			Gold	1852	1846
			Brent Crude	78.76	81.95

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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