

DAILY FOREX NEWSLETTER

Friday 6th Jan 2023

The Kenyan shilling lost ground slightly on Thursday to touch a fresh record low, as fuel importers and the manufacturing and pharmaceutical sectors chased limited dollar supply.

Top News:

- Asian equities gained on Friday while the dollar hovered near a one-month high as investors braced for crucial U.S. jobs data later in the day that should provide clues on how aggressive the Federal Reserve will be in tightening policy.
- Oil prices rose as much as \$1 on Friday, extending gains from the previous trading session on hopes of a China demand boost and after data showed lower fuel inventories in the United States following a winter storm that hit during the year end.

International Markets

USD: The dollar swung higher Thursday, just a day ahead of Friday's labor market report that some believe could force investors to rethink their game of chicken against the Federal Reserve and potentially thrust the greenback to glory.

GBP: A mild recovery in S&P500 futures is indicating that the risk-on mood is attempting to regain traction. A breakdown of an H&S chart pattern will result in the sheer downside ahead. The RSI (14) has slipped into the bearish range of 20.00-40.00, which indicates more weakness ahead. The GBP/USD pair has sensed a temporary demand below the critical support of 1.1900 in the Asian session, however, the broader set of the risk profile is extremely negative. The Cable asset is likely to remain on the tenterhooks as stronger United States job market data has accelerated the odds of further policy tightening consideration by the Federal Reserve.

EUR: A decent recovery in S&P500 futures indicates that the risk-on profile has regained traction. Investors are awaiting the release of the Eurozone Inflation and US NFP for fresh impetus. The RSI (14) has shifted into the bearish range, which indicates that the downside momentum has been triggered. The EUR/USD pair has displayed a rebound move after gauging an immediate cushion around 1.0520. It would be prudent not to consider it a reversal for now as volatility is likely to remain on a lower note ahead of the release of the United States Nonfarm Payrolls data and Eurozone Inflation for fresh cues

INR: The Indian rupee INR=IN strengthened 0.02% versus the U.S. dollar, and quoted at 82.55 per dollar, as higher yuan helped offset impact from upbeat jobs data that prompted Fed futures to price in higher chance of a 50-bps rate hike at next meeting.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	121.40	128.00			
GBP/KES	144.00	153.00	GBP/USD	1.1985	1.2080
EUR/KES	127.00	135.00	EUR/USD	1.0565	1.0645
INR/KES		1.5610	AUD/USD	0.6795	0.6845
			USD/INR	81.75	81.75
			Commodities		
			Gold	1836	1852
			Brent Crude	79.53	78.76

T-Bills Rates:

Duration	Current	Previous
91 Days	9.392%	9.369%
182 Days	9.847%	9.834%
364 Days	10.369%	10.308%

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