

DAILY FOREX NEWSLETTER

Monday 9th Jan 2023

The Kenyan shilling was broadly stable against the dollar on Friday, adding that trading was picking up by fuel importers and other sectors like retail after the end-of-year holidays.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	121.40	128.00			
GBP/KES	146.00	155.80	GBP/USD	1.2185	1.1985
EUR/KES	128.00	136.90	EUR/USD	1.0720	1.0565
INR/KES		1.5765	AUD/USD	0.6765	0.6795
			USD/INR	81.40	81.75
			Commodities		
			Gold	1876	1836
			Brent Crude	79.44	79.53

T-Bills Rates:

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

Top News:

- Asia-Pacific markets traded higher as Hong Kong and mainland China resumed quarantine-free travel over the weekend, signaling the end of zero-Covid policy which kept borders effectively closed for nearly three years
- Oil prices edged up on Monday, a day after travelers streamed into China following a reopening of borders that lifted the fuel demand outlook and partly offset concerns of global recession.

International Markets

USD: Most Asian currencies shot up on Monday, with the Chinese yuan hitting a four-month high after the country reopened its international borders, while hopes of a less hawkish rhetoric from the Federal Reserve also weighed on the dollar and supported regional units.

GBP: GBP/USD has overstepped the critical resistance of 1.2100 amid risk-on impulse. A sheer decline in economic activities in the United States has triggered recession fears. BOE Mann has warned that an energy price cap-inspired fall in inflation could trigger inflation in other productions. The GBP/USD pair has surpassed the round-level resistance of 1.2100 in the Tokyo session. The Cable is expected to shift its auction profile above 1.2100 amid a cheerful market mood. The US Dollar faced immense pressure on Friday after the release of weaker-than-anticipated Average Hourly Earnings.

EUR: EUR/USD has climbed to near 1.0680 amid a sell-off in the US Dollar index led by a risk-on mood. A sheer drop in US wage inflation and PMI numbers is advocating for a slowdown in the policy tightening pace by the Fed. The ECB is looking to reach terminal rates this summer. The EUR/USD pair has scaled to near 1.0680 after the resumption of Friday's rally in the Asian session. The major currency pair has witnessed firmer demand amid a sell-off in the US Dollar Index (DXY). The asset is likely to remain in the grip of bulls as the Federal Reserve (Fed) is expected to decelerate its current pace of hiking interest rates amid accelerating recession fears.

INR: USD/INR dribbles near the lowest levels in one month. China reopening joins PBOC headlines to underpin risk-on mood in Asia. Downbeat US wage growth weigh on Treasury yields and hawkish Fed bets. Japan holiday, light calendar and upbeat oil prices allow bears to lick their wounds. USD/INR bears lick their wounds, after refreshing a one-month low, as the Indian Rupee buyers await fresh clues during early Monday. In doing so, the quote remains indecisive after printing a three-day downtrend at the latest.

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