

DAILY FOREX NEWSLETTER

Friday 10th Feb 2023

The Kenya's shilling was little changed on Thursday, but it was expected to soon lose ground again on dollar demand from general goods importers and oil-retailing companies at a time of limited supply.

Top News:

- Oil prices fell in early trade on Friday but were headed for a weekly gain with the market continuing to seesaw between fears of a recession hitting the United States and hopes for strong fuel demand recovery in China, the world's top oil importer.
- Asia-Pacific markets traded mixed on Friday, following moves on Wall Street as China's inflation data came in lower than expected.

International Markets

USD: The U.S. dollar fell across the board on Thursday, moving in line with lower Treasury yields, as investors stuck to their views that the Federal Reserve does not need to raise interest rates any more than it should as inflation is starting to get under control.

GBP: GBP/USD has slipped below the crucial support of 1.2100 amid the risk-aversion theme. The Pound Sterling bulls will dance to the tunes of the UK's preliminary GDP (Q4) data. A downside move below the demand zone by the Cable indicates weakness ahead. The GBP/USD pair has surrendered the round-level support of 1.2100 in the Asian session. The Cable has witnessed selling pressure and has lost half of the gains added on Thursday. The downside pressure in the Pound Sterling has been triggered as investors have underpinned the risk-aversion theme ahead of the release of the United States Consumer Price Index (CPI).

EUR: EUR/USD eyes the second consecutive weekly loss while stretching the previous day's losses from one-week high. Market sentiment dwindles as US Treasury yields renew recession fears, but Fed policymakers appear cautious. Softer German inflation, a lack of hawkish ECB talks weigh on Euro. Early signals for next week's US inflation eyed for clear directions. EUR/USD holds lower grounds near 1.0730-25 as it braces for the second consecutive weekly loss ahead of the key US data during early Friday.

INR: USD/INR remains sidelined between four-month-old resistance line and 50-DMA. A convergence of 100-DMA, ascending trend line from late January appears a tough nut to crack for the pair sellers. Indian Rupee sellers need successful break of 82.80 to retake control. USD/INR remains indecisive around 82.60, challenging the two-day losing streak, as Indian Rupee traders seek fresh clues during early Friday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.60			
GBP/KES	150.50	159.30	GBP/USD	1.2165	1.2135
EUR/KES	133.50	141.200	EUR/USD	1.0755	1.0765
INR/KES		1.6230	AUD/USD	0.6955	0.6995
			USD/INR	81.55	81.60
			Commodities		
			Gold	1853	1879
			Brent Crude	84.33	85.10

T-Bills Rates:

Duration	Current	Previous
91 Days	9.601%	9.581%
182 Days	10.042%	9.997%
364 Days	10.603%	10.55%

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