

DAILY FOREX NEWSLETTER

Monday 13th Feb 2023

The Kenya's shilling was steady on Friday, but it was expected to weaken, undermined by increased demand for dollars from the manufacturing sector and oil retailing companies.

Top News:

- Stocks in Asia-Pacific were down on Monday as investors look ahead to a week of crucial economic data releases, including the U.S. consumer price index that will determine the Federal Reserve's path forward.
- Oil prices eased on Monday after rising 2% in the previous session, as investors focused on short-term demand concerns stemming from crucial upcoming U.S. inflation data and refinery maintenance in Asia and the United States.

International Markets

USD: The dollar gained on Friday as investors grew concerned about a U.S. inflation report next week that could show a number that is higher than markets forecast amid data showing expectations for a continued rise in prices over the next year.

GBP: GBP/USD holds lower ground amid the broad US Dollar rebound. Optimism surrounding UK workers, upbeat British GDP put a floor under the Cable price. Fears of US-China tussle, hawkish Fed and cautious mood ahead of key data favor US Dollar despite inactive yields. GBP/USD clings to mild gains near 1.2050 heading into Monday's London open as traders brace for this week's key data from the UK and the US. Also exerting downside pressure on the Cable pair is the risk-off mood and the firmer US Dollar.

EUR: EUR/USD seesaws around five-week low as bears take a breather. ECB's Visco downplays rate hike bias, Fed's Harker appears confused. Challenges to sentiment amid "unidentified objects" joins cautious mood ahead of key data to weigh on Euro. EUR/USD licks its wounds around 1.0670, after declining to the five-week low, as traders await more catalysts to confirm the latest bearish bias. Adding strength to the recovery moves could be the recent consolidation in the market's sentiment after US General's comments.

INR: USD/INR picks up bids to pare the previous losses amid risk-off mood. Fears surrounding mystery objects, hawkish Fed roil risk profile and underpin US Dollar after Friday's upbeat data. Light calendar, cautious mood ahead of key data/events also exert downside pressure on Indian Rupee. USD/INR marches towards 82.80, up 0.30% intraday, as it snaps the three-day downtrend during early Monday. In doing so, the Indian Rupee pair picks up bids to reverse the pullback from the previous monthly high as the US Dollar remains firmer amid the sour sentiment.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.60			
GBP/KES	149.80	158.80	GBP/USD	1.2087	1.2165
EUR/KES	132.60	140.70	EUR/USD	1.0725	1.0755
INR/KES		1.6230	AUD/USD	0.6959	0.6955
			USD/INR	81.65	81.55
			Commodities		
			Gold	1858	1853
			Brent Crude	84.48	84.33

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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