

# DAILY FOREX NEWSLETTER

Tuesday 14th Feb 2023

The Kenyan shilling lost ground to the dollar on Monday on the back of unmatched demand from oil importers and the manufacturing sector.

## Top News:

- Asian shares tracked a bounce on Wall Street on Tuesday, as investors remained confident that key U.S. economic data due later would show an easing in inflation, while the yen recouped losses as Japan nominated a new central bank governor.
- Oil prices fell on Tuesday after the U.S. government said it would release more crude from its Strategic Petroleum Reserve as mandated by lawmakers, defying expectations from some traders that the release could be cancelled or delayed.

## International Markets

**USD:** Most Asian currencies rose slightly on Tuesday, capitalizing on some weakness in the dollar as traders awaited more economic cues from key U.S. inflation data due later in the day, while the Japanese yen rose amid speculation over the new Bank of Japan Governor.

**GBP:** GBP/USD struggles to extend the previous day's gains amid sluggish markets. Hopes of overcoming labour crisis, US Dollar pullback underpin bullish bias. Expectations favouring positive surprise from US inflation, dovish concerns over BoE probe Cable buyers. Upbeat UK jobs report may offer intermediate strength to GBP/USD but major attention should be given to US CPI.GBP/USD bulls take a breather around mid-1.2100s heading into Tuesday's London open, after posting the biggest daily jump in a month. In doing so, the Cable pair fails to cheer the US Dollar's weakness as traders seem cautious ahead of the UK jobs report.

**EUR:** EUR/USD is marching towards 1.0770 as USD Index is showing signs of more weakness ahead.S&P500 futures have witnessed a minor correction, portraying caution in fresh buying in an overall upbeat market mood. Eurozone GDP looks set to dodge recession amid an absence of contraction in activities. The EUR/USD pair refreshed its day's high around 1.0730 and is hovering around it continuously in the Tokyo session. The major currency pair is expected to continue its upside momentum as the US Dollar Index (DXY) is struggling to place feet ahead of the United States Consumer Price Index (CPI) data.

**INR:** USD/INR is aiming to deliver a break above 82.60 as the USD Index is eyeing more weakness. The market mood is upbeat as investors have digested the consequences associated if US inflation delivers a surprise jump. To tame core inflation, the RBI might hike its repo rate further by 25bps.The USD/INR pair is struggling to extend above the immediate resistance of 82.60 in the Asian session. The upside move in the asset looks favored as the US Dollar Index has recorded a fresh day's low at 102.81.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	125.30	132.30			
<b>GBP/KES</b>	152.20	160.95	<b>GBP/USD</b>	1.2195	1.2087
<b>EUR/KES</b>	134.60	142.35	<b>EUR/USD</b>	1.0781	1.0725
<b>INR/KES</b>		1.6230	<b>AUD/USD</b>	0.6995	0.6959
			<b>USD/INR</b>	81.60	81.65
			<b>Commodities</b>		
			<b>Gold</b>	1858	1858
			<b>Brent Crude</b>	86.00	84.48

## T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2