

# DAILY FOREX NEWSLETTER

Wednesday 15th Feb 2023

The Kenyan shilling hit a fresh low on Tuesday as dollar demand from the oil sector outpaced thin foreign-currency supply.

## Top News:

- Asian stocks slipped while the U.S. dollar was steadfast on Wednesday, following U.S. inflation data and remarks from central bank officials that have investors worrying interest rates are going to be higher for longer.
- Oil prices extends losses on Wednesday as a much bigger-than-expected surge in the U.S. crude inventories and expectations of further interest rate hikes sparked concerns over the prospect of weaker fuel demand and economic recession.

## International Markets

**USD:** The dollar hit a six-week high against the yen and recovered from a roughly two-week low against a basket of major currencies on Tuesday as data for January showing the smallest annual increase in U.S. consumer prices since October 2021 did not alter market expectations that interest rates will remain elevated for some time.

**GBP:** GBP/USD remains sidelined after a volatile day, grinds higher of late. Mostly upbeat UK jobs report hopes of British government-labor deal underpin bullish bias for the Cable. Unimpressive US inflation, retreat in Treasury bond yields add to the upside expectations. UK CPI for February eyed for intraday directions; US data appears important too. GBP/USD portrays the pre-data anxiety by treading water around 1.2180 during early Wednesday.

**EUR:** EUR/USD prints the first daily loss in three, holds lower ground of late. Fed Officials ignore sticky inflation to defend rate hike bias, underpin yields and US Dollar rebound. ECB talks appear less lucrative and so do the Eurozone statistics. Dovish bias of ECB's Lagarde, upbeat US Retail Sales, Industrial Production needed to extend latest weakness. EUR/USD slips to 1.0715 as it prints the first daily loss in three during early Wednesday morning in Europe. The Euro pair's latest losses could be linked to the US Dollar's broad gains, backed by the risk-off mood and the firmer Treasury bond yields, ahead of the key catalysts scheduled to release from the Eurozone and the US.

**INR:** USD/INR seesaws around multi-day high as firmer US Dollar jostles with sluggish markets, downbeat Oil price. Fed Officials ignore sticky inflation to defend hawkish bias and propel US Treasury bond yields, USD. Upbeat WPI inflation favor RBI rate hike expectations and put a floor under Indian Rupee. US data, risk catalysts eyed for fresh impulse. USD/INR bulls take a breather around the 1.5-month high, flirting with the multi-day-old resistance line near 83.00 by the press time, as markets await more clues to extend the previous day's run-up

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.30	132.40			
GBP/KES	152.50	161.35	GBP/USD	1.2192	1.2195
EUR/KES	134.50	142.30	EUR/USD	1.0755	1.0781
INR/KES		1.6230	AUD/USD	0.6965	0.6995
			USD/INR	81.74	81.60
			Commodities		
			Gold	1845	1858
			Brent Crude	84.77	86.00

## 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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