

DAILY FOREX NEWSLETTER

Wednesday 15th Feb 2023

The Kenyan shilling lost ground to the dollar on Wednesday as remittances in foreign currency failed to match dollar demand from the oil and manufacturing sectors.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.30	132.50			
GBP/KES	151.10	159.85	GBP/USD	1.2088	1.2192
EUR/KES	134.20	142.15	EUR/USD	1.0745	1.0755
INR/KES		1.6230	AUD/USD	0.6944	0.6965
			USD/INR	81.60	81.74
			Commodities		
			Gold	1837	1845
			Brent Crude	85.90	84.77

T-Bills Rates:

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

Top News:

- Bonds fell and the dollar rose on Thursday as roaring U.S. retail sales had investors reckoning on interest rates staying higher for longer to temper demand, though stock markets were focused on the bright side for earnings and climbed a little
- Oil prices rose on Thursday as hopes of a robust fuel demand recovery in top oil consumer China offset losses arising from strength in the greenback and a large build in U.S. crude inventory.

International Markets

USD: The dollar advanced on Thursday after strong U.S. retail sales data underpinned the resilience of the world's largest economy, cementing the case that the Federal Reserve still has further to go in tightening rates.

GBP: GBP/USD grinds near intraday high as it consolidates the biggest daily loss in a fortnight. UK inflation, employment numbers raise doubts on BoE rate hike bias. US data propel hawkish Fed bets and propel yields, US Dollar. Mixed sentiment allowed Cable bears to take a breather ahead of second-tier US data, UK Retail Sales. GBP/USD seesaws around the intraday high of 1.2044 as it pares the previous day's heavy losses during sluggish early hours of trading on Thursday.

EUR: EUR/USD gains some positive traction on Thursday and is supported by a combination of factors. ECB's Lagarde reiterates the intention to raise rates by 50 bps in March, which benefits the Euro. A positive risk tone undermines the safe-haven USD and remains supportive of the positive move. Hawkish Fed expectations, recession fears should limit the USD losses and cap any further gains. The EUR/USD pair attracts some buying during the Asian session on Thursday and recovers a part of the previous day's losses.

INR: USD/INR extends pullback from four-month-old resistance line amid sluggish markets. US Dollar pares gains around six-week high as Treasury bond yields retreat. China-linked headlines also weigh on prices amid cautious optimism in Asia. USD/INR takes offers to refresh the intraday low near 82.65 while extending the previous day's U-turn from the short-term key trend line resistance during early Thursday.

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