

# DAILY FOREX NEWSLETTER

Friday 24th Feb 2023

The Kenyan shilling fell on Thursday, undermined by persistent dollar demand across all sectors of the economy although demand was strongest from energy and manufacturing firms.

### Top News:

- Asia-Pacific markets traded mixed on Friday as the nominee to lead the Bank of Japan Kazuo Ueda spoke at a confirmation hearing.
- Oil prices settled 2% on Thursday on expectations of steep cuts to Russian production next month, but a stronger dollar and a sharper-than-expected jump in U.S. inventories added to demand concerns.

### International Markets

**USD:** The dollar held firm on Friday as investors braced for U.S. interest rates to be higher for longer, while the yen was volatile, with incoming Bank of Japan Governor Kazuo Ueda saying it was appropriate to maintain an ultra-loose monetary policy.

**GBP:** GBP/USD struggles for clear directions after two-day downtrend. Convergence of 200-DMA, 100-DMA and three-month-old ascending trend line offers strong support. Bearish MACD signals, steady RSI suggests more downside. Recovery remains elusive below three-week-long descending resistance line. GBP/USD picks up bids to reverse the early Asia losses, despite failing to gain traction above 1.2000. That said, the Cable pair seesaws around 1.2020-25 during Friday morning, following a two-day downtrend.

**EUR:** EUR/USD copies the previous day's Doji candlestick around seven-week low. Eurozone inflation underpins hawkish ECB bias ahead of German sentiment, output data. US Treasury bond yields, market bets suggest traders already priced in strong US data, Fed's rate hike to 5.36%. US Core PCE Price Index, geopolitical headlines become the key to clear directions. EUR/USD seeks clear directions as it seesaws within a 25-pip trading range during early Friday, easing to 1.0600 by the press time. In doing so, the major currency pair portrays the market's anxiety ahead of the key data/events, while also struggling to justify the mixed geopolitical headlines surrounding Ukraine.

**INR:** USD/INR picks up bids to pare the biggest daily loss in a month. Firmer Oil price, hawkish Fed bets weigh on Indian Rupee. US Core PCE Price Index eyed for clear directions on US inflation conditions and Fed's next move. USD/INR prints mild gains around 82.70 as it consolidates the biggest daily loss in a month during early Friday. In doing so, the Indian Rupee (INR) pair struggles to cheer cautious optimism in the Asia-Pacific region as Oil price extends the previous day's rebound from the monthly low.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	125.80	134.80			
<b>GBP/KES</b>	153.70	162.20	<b>GBP/USD</b>	1.2055	1.2090
<b>EUR/KES</b>	135.40	143.20	<b>EUR/USD</b>	1.0645	1.0665
<b>INR/KES</b>		1.6485	<b>AUD/USD</b>	0.6842	0.6845
			<b>USD/INR</b>	81.75	81.72
			<b>Commodities</b>		
			<b>Gold</b>	1824	1828
			<b>Brent Crude</b>	82.89	80.92

### T-Bills Rates:

Duration	Current	Previous
91 Days	9.655%	9.623%
182 Days	10.117%	10.079%
364 Days	10.676%	10.638%

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