

DAILY FOREX NEWSLETTER

Monday 6th Feb 2023

The Kenyan shilling weakened on Friday, remaining under pressure due to dollar demand from importers.

Top News:

- Stocks in the Asia-Pacific mostly fell on Monday as a stronger-than-expected jobs report from the U.S. worrying investors the Federal Reserve has room for more interest rate hikes, as it continued its efforts to control inflation
- Gold prices dropped on Friday to more than a three-week low after stronger-than-expected U.S. jobs data raised fears that the Federal Reserve could keep hiking interest rates.

International Markets

USD: The dollar jumped on Friday after data showed that U.S. employers added significantly more jobs in January than economists expected, potentially giving the Federal Reserve more leeway to keep hiking interest rates.

GBP: GBP/USD has picked up demand after dropping to near 1.2050, however, the downside bias is still solid. Escalating geopolitical tensions over the US-China balloon event have trimmed the appeal for risk-perceived assets. The Fed is expected to announce two more hikes this year. The GBP/USD pair has attempted to extend its rebound move above the critical resistance of 1.2050 in the Tokyo session. The Cable gauged an intermediate cushion around 1.2000 amid subdued performance by the US Dollar Index

EUR: EUR/USD oscillates narrowly as investors await Eurozone Retail Sales for fresh cues. The risk profile is highly adverse amid escalating hawkish Fed bets. ECB members are advocating for two more interest rate hikes ahead. The EUR/USD pair displays a lacklustre performance below the round-level resistance of 1.0800 in the Asian session. The major currency pair has turned sideways, following the footprints of the subdued US Dollar Index (DXY). The market participants expect a volatility contraction in the USD Index after a one-sided vertical move on Friday.

INR: The Indian rupee INR=IN weakened 0.75% versus the U.S. dollar, and quoted at 82.45 per dollar, after the U.S. jobs report fueled bets that the Federal Reserve will keep hiking interest rates

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.60			
GBP/KES	150.00	158.90	GBP/USD	1.2110	1.2250
EUR/KES	134.30	142.20	EUR/USD	1.0845	1.0950
INR/KES		1.6230	AUD/USD	0.6985	0.7115
			USD/INR	81.42	81.45
			Commodities		
			Gold	1876	1914
			Brent Crude	80.11	81.97

T-Bills Rates:

Duration	Current	Previous
91 Days	9.581%	9.538%
182 Days	9.997%	9.954%
364 Days	10.55%	10.504%

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