

DAILY FOREX NEWSLETTER

Wednesday 8th Feb 2023

The Kenya's shilling weakened on Tuesday to a new all-time low, undermined by increased dollar demand from manufacturers and oil-retailing companies.

Top News:

- Asian equities rose, while the dollar wobbled on Wednesday after less hawkish than feared comments from Federal Reserve Chair Jerome Powell boosted risk appetite and investor hopes that the Central Bank may soon ease monetary policy.
- Oil prices rose early on Wednesday, extending gains from the previous two days, as the dollar fell after Federal Reserve Chair Jerome Powell sounded less hawkish on interest rates than markets had expected and as U.S. crude stocks surprisingly fell.

International Markets

USD: The dollar eased on Wednesday after Federal Reserve Chair Jerome Powell failed to offer fresh signs of a hawkish pushback against a resilient labor market in the United States, leading investors to bet that interest rates may not rise much further.

GBP: GBP/USD struggles to extend the previous day's rebound from one-month low, side-lined of late. Oscillators suggest further recovery, but death cross on the EMAs and 61.8% Fibonacci retracement level probe bulls. Five-week-old horizontal support area offers extra filters to the south. GBP/USD fades the previous day's rebound from a monthly low around 1.2050 heading into Wednesday's London open. In doing so, the Cable pair justifies the bearish moving average crossover on the four-hour chart below the key Fibonacci retracement level.

EUR: EUR/USD steadies during the first positive day in five, mildly bid of late. US President Biden tries to convince markets of American competitiveness versus China. Mixed comments from Fed speakers, retreat in US Treasury bond yields underpins EUR/USD recovery. Comments from central bank officials, risk catalysts eyed amid a light calendar. EUR/USD floats around 1.0725-30 after snapping a four-day downtrend as the pair traders struggle to believe in the hawkish comments from US President Joe Biden's State of the Union (SOTU) speech.

INR: USD/INR retreats from five-week high following RBI Interest Rate Decision. RBI announces 0.25% lift to the benchmark Repo Rate, matches market forecasts. US Dollar pullback, softer yields add strength to the Indian Rupee rebound. Risk catalysts, technical patterns suggest further downside amid a light calendar. USD/INR bears cheer the Reserve Bank of India's (RBI) interest rate announcements by renewing the intraday low near 82.60 early Wednesday. In doing so, the Indian Rupee (INR) pair also cheers the broad US Dollar weakness and a pullback in the Oil price.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.60			
GBP/KES	150.00	158.80	GBP/USD	1.2092	1.2085
EUR/KES	133.60	141.40	EUR/USD	1.0777	1.0785
INR/KES		1.6230	AUD/USD	0.6995	0.6965
			USD/INR	81.68	81.75
			Commodities		
			Gold	1876	1874
			Brent Crude	83.76	81.75

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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