

DAILY FOREX NEWSLETTER

Thursday 9th Feb 2023

The Kenya's shilling weakened to hit a fresh all-time low on Wednesday due to a general increase in demand for dollars especially from oil retailing companies, before recouping its losses.

Top News:

- Oil edged up in early trade on Thursday, extending gains for a fourth consecutive day, as crude loading disruptions in Turkey and optimism over China's recovering demand continued to buoy sentiment.
- Stocks in the Asia-Pacific traded mixed on Thursday, as investors assessed further risks of more rate hikes to come. A number of Federal Reserve speakers reiterated the Central Bank is yet to be finished with its hiking cycle, including Fed Governor Christopher Waller.

International Markets

USD: The U.S. dollar was little changed on Thursday as investors looked ahead to next week's U.S. inflation data and digested comments from a slew of Federal Reserve officials who said modest interest rate rises were on the way.

GBP: GBP/USD grinds higher around intraday top during three-day uptrend. Broad US Dollar weakness, cautious optimism underpin recovery moves despite mixed UK fundamentals. British housing market flashes red signals, workers' strikes are on the top. BOE Governor Bailey's testimony, preliminary readings for UK Q4 GDP eyed amid a light calendar for Thursday. GBP/USD bulls keep reins for the third consecutive day as the Cable picks up bids to renew its intraday high near 1.2085 heading into Thursday's London open. In doing so, the quote ignores fears surrounding the UK's economic and political frontiers amid broad US Dollar weakness. The reason could also be linked to the pre-data consolidation as the British Gross Domestic Product (GDP) for the fourth quarter is up for publishing on Friday.

EUR: EUR/USD picks up bids to snap four-day downtrend amid quiet markets. Cautious optimism, hawkish ECB comments please buyers ahead of the key data. Fed policymakers, US diplomats also defend higher rates and probe EUR/USD bulls. Preliminary readings of Germany's monthly HICP, quarterly EU economic forecast will be crucial for intraday traders. EUR/USD consolidates weekly moves as it renews its intraday high around 1.0730 during early Thursday morning. In doing so, the major currency pair prints the first daily gains in five while bouncing off the 50-DMA support amid sluggish initial trading hours of the day.

INR: USD/INR remains pressured for the second consecutive day amid broad US Dollar weakness. RBI rejects dovish hike concerns even as matching market forecasts of 0.25% rate hike. Cautious optimism in Asia, downbeat US Treasury bond yields favor Indian Rupee buyers. USD/INR fades bounce off intraday low as Indian Rupee buyers cheer cautious optimism in Asia, as well as a softer US Dollar, during early Thursday. In doing so, the pair sellers extend the Reserve Bank of India (RBI) inflicted losses to around 82.60 by the press time.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	125.50	131.60			
GBP/KES	150.40	159.40	GBP/USD	1.2135	1.2085
EUR/KES	133.60	141.70	EUR/USD	1.0765	1.0785
INR/KES		1.6230	AUD/USD	0.6995	0.6965
			USD/INR	81.60	81.75
			Commodities		
			Gold	1879	1874
			Brent Crude	85.10	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%

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