

# DAILY FOREX NEWSLETTER

Tuesday 14<sup>th</sup> March 2023

The Kenya's shilling weakened against the dollar on Monday, pushed by hard currency demand from the oil importers and general manufacturers and amid insufficient remittance inflows.

Kenya has signed deals with UAE's ADNOC and Saudi Aramco for the supply of petroleum products with a six-month credit period, its energy minister said on Monday, a move designed to curb demand for dollars that has weakened the local currency.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	130.50	141.35			
<b>GBP/KES</b>	162.00	172.20	<b>GBP/USD</b>	1.2175	1.2165
<b>EUR/KES</b>	142.20	151.50	<b>EUR/USD</b>	1.0755	1.0745
<b>INR/KES</b>		1.7250	<b>AUD/USD</b>	0.6698	0.6697
			<b>USD/INR</b>	81.30	81.15
			<b>Commodities</b>		
			<b>Gold</b>	1902	1881
			<b>Brent Crude</b>	79.95	83.12

## T-Bills Rates:

Duration	Current	Previous
91 Days	9.742%	9.698%
182 Days	10.216%	10.165%
364 Days	10.747%	10.690%

## Top News:

- Asia's share markets slid on Tuesday, with financial stocks in Tokyo leading losses as fear of a U.S. banking crisis had investors fleeing the sector and slashing the interest rate outlook even ahead of U.S. inflation data due later in the day.
- Oil prices fell more than \$1 on Tuesday, extending the previous day's slide, as the collapse of Silicon Valley Bank rattled equities markets and sparked fear about a fresh financial crisis.

## International Markets

**USD:** The dollar weakened on Monday as markets bet the Federal Reserve will slow if not halt its raising of interest rates to curb inflation after U.S. authorities moved to limit the fallout from the sudden collapse of Silicon Valley Bank.

**GBP:** GBP/USD has corrected further to near 1.2150 as the safe-haven appeal improves. The street is expecting Fed chair Jerome Powell to look for a smaller rate hike or halt the rate-tightening spell. a higher jobless rate and lower employment bills figure would delight the BoE. The GBP/USD pair has stretched its correction to near 1.2150 in the Asian session. The corrective move from the round-level resistance of 1.2200 has extended as anxiety among investors is soaring ahead of the release of the United Kingdom labour market data and United States Consumer Price Index (CPI) figures.

**EUR:** EUR/USD is hoping for an intermediate cushion around 1.0700 on less-hawkish Fed bets. The rationale behind short unwinding in the USD Index is the anxiety among the market participants for the US inflation. ECB would continue its bigger rate hike spell despite SVB's collapse. The EUR/USD pair is gauging a cushion near the round-level support of 1.0700 in the Asian session. The major currency pair has corrected from 1.0740 after exhaustion in the upside momentum. The shared currency pair is expected to remain on the tenterhooks ahead of the release of the United States Consumer Price Index (CPI) data.

**INR:** USD/INR pares the biggest daily gains in seven weeks amid sluggish session. Indian equity rout, downbeat inflation data drowned Rupee the previous day despite broad US Dollar weakness. Fed pivot chatters highlight US CPI for February as SVB-led market fears ease. USD/INR sticks to mild losses near 82.35 as it consolidates the biggest daily gain in nearly two months during early Tuesday. In doing so, the Indian Rupee pair takes clues from the receding fears of hawkish Fed rate moves amid a sluggish session ahead of the US Consumer Price Index data for February.

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