

# DAILY FOREX NEWSLETTER

Friday 17<sup>th</sup> March 2023

The Kenyan shilling slid to a fresh low against the dollar on Thursday as hard currency demand from importers, particularly fuel marketers, exerted downward pressure.

### Top News:

- Oil prices were little changed on Friday after a meeting between Saudi Arabia and Russia calmed markets, but crude benchmarks were still headed for a second weekly fall after a banking crisis sparked a sell-off in global financial markets this week.
- Asia-Pacific markets were higher Friday after major Wall Street banks pledged a deposit of \$30 billion in First Republic Bank in an attempt to bolster confidence in the banking system. The group of 11 banks, included Bank of America, Wells Fargo, Citigroup and JPMorgan Chase.

### International Markets

**USD:** The dollar slipped on Friday as risk sentiment improved after authorities and banks moved to ease stress on the financial system in major markets, taking heat off other major currencies that tumbled earlier in the week in the wake of bank turmoil.

**GBP:** GBP/USD faces key resistance at 50-DMA and descending trendline. Major Central Bank's intervention supports GBP/USD rebound. Eyes on UK CPI data and BoE rate decision next week. GBP/USD rebounds from the 21-Daily Moving Average (DMA) at the 1.2000 key psychological level. The bounce comes after easing demand for the US Dollar due to backstop plans put forward by major central banks.

**EUR:** EUR/USD has extended its recovery above 1.0640 as the USD Index is losing steam further. Federal Reserve might remain steady on interest rates after discounting lower inflation in February and fresh banking instability. European Central Bank went for a third consecutive 50 bps interest rate hike to tame rampant inflation despite Credit Suisse's debacle. EUR/USD has scaled above the 50% Fibonacci retracement, which cements a bullish reversal. EUR/USD has printed a fresh day's high at 1.0642 in the Asian session as the US Dollar Index (DXY) has extended its correction further. The major currency pair has extended its recovery move above 1.0636 gradually and is expected to deliver more gains.

**INR:** USD/INR extends the previous day's pullback from three-week high. US Treasury bond yields weigh on greenback amid receding fears of financial crisis. Mixed sentiment, light calendar and pre-Fed anxiety are extra catalysts that allow Indian Rupee to lick its wounds. USD/INR holds lower grounds near 82.50 while keeping the previous day's U-turn from a three-week low during early Friday. Even so, the Indian Rupee (INR) pair remains firmer for the second consecutive week heading into the next Wednesday's Federal Open Market Committee (FOMC) monetary policy meeting.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	135.50	143.70			
<b>GBP/KES</b>	164.50	174.85	<b>GBP/USD</b>	1.2185	1.2145
<b>EUR/KES</b>	144.20	153.25	<b>EUR/USD</b>	1.0681	1.0650
<b>INR/KES</b>		1.7540	<b>AUD/USD</b>	0.6745	0.6680
			<b>USD/INR</b>	81.25	81.35
			<b>Commodities</b>		
			<b>Gold</b>	1930	1916
			<b>Brent Crude</b>	75.40	74.65

### T-Bills Rates:

Duration	Current	Previous
91 Days	9.780%	9.742%
182 Days	10.285%	10.216%
364 Days	10.777%	10.747%

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