

# DAILY FOREX NEWSLETTER

Tuesday 21st March 2023

The Kenyan shilling traded weaker on Monday, hurt by strong demand for dollars from importers in the energy and manufacturing sectors.

## Top News:

- Asian stocks were lifted from lows on Tuesday, with the rescue of Credit Suisse stemming selling in bank shares, though the mood was fragile and the stress in markets had traders wondering whether U.S. rate hikes might be finished.
- Oil prices stabilised on Tuesday after falling early in the previous session on investor worries that recent banking-sector problems would weigh on the global economy and limit demand for crude.

## International Markets

**USD:** The dollar regained some ground on Tuesday but was pinned near a five-week low as traders tiptoed back into riskier assets after UBS' state-backed takeover of Credit Suisse allayed some fears of a widespread, systemic banking crisis.

**GBP:** GBP/USD bears are testing prior equal highs level near 1.2270. A 61.8% Fibonacci is in focus which is near prior highs of 1.2200. GBP/USD bulls are in the market but are meeting resistance above equal highs as for the prior analysis, GBP/USD Price Analysis: Bulls move towards bear's lair.

**EUR:** EUR/USD is displaying a sideways auction around 1.0720 as investors await Fed policy for fresh guidance. Federal Reserve could remain shy of hiking rates further to tame the consequences of the banking sector debacle. European Central Bank is likely to remain stick to bigger rates spell as inflation would remain higher for a longer period. EUR/USD is marching towards the potential resistance plotted from March around 1.0740. EUR/USD is continuously juggling in a narrow range above the round-level support of 1.0700 in the Asian session. It seems that investors have been sidelined ahead of the interest rate decision by the Federal Reserve (Fed). Therefore, the major currency pair is mimicking the pre-Fed policy period and is likely to continue its sideways performance.

**INR:** The Indian rupee INR=IN strengthened 0.02% versus the U.S. dollar, and quoted at 82.63 per dollar, as traders assess the impact from a banking crisis in the U.S. and Europe.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.00	136.00			
GBP/KES	159.00	168.00	GBP/USD	1.2295	1.2245
EUR/KES	139.00	146.80	EUR/USD	1.0745	1.0695
INR/KES		1.6745	AUD/USD	0.6745	0.6725
			USD/INR	81.31	81.27
			Commodities		
			Gold	1980	1975
			Brent Crude	73.12	72.32

## 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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