

# DAILY FOREX NEWSLETTER

Wednesday 22nd March 23,

The Kenyan shilling lost ground on Tuesday as elevated foreign exchange demand from energy importers and manufacturers continued to pressure the local currency.

### Top News:

- Asia-Pacific markets rose on Wednesday as investors looked ahead to the U.S. Federal Reserve's latest update on its rate hike decision, as the central bank attempts to balance its inflation fight and stem a banking crisis.
- Oil fell in early Asian trade on Wednesday, paring two straight days of gains after an industry report showed U.S. crude inventories rose unexpectedly last week in a sign fuel demand may be weakening.

### International Markets

**USD:** The dollar was pinned near five-week lows on Wednesday ahead of the conclusion of the U.S. Federal Reserve's policy meeting, with investors awaiting clarity on the path the central bank is likely to take in the wake of global banking turmoil.

**GBP:** GBP/USD bull run pauses ahead of FOMC meeting. Odds are rising for BoE's potential pause in a rate hike. UK CPI data are likely to be overshadowed by the Fed decision. GBP/USD's bull run stalls at a long-ended descending trendline originating from the 1.3768 mark on a daily timeframe. This bullish surge is driven by broad-based US Dollar weakness amid falling US Treasury yields. Additionally, increasing expectations for the Bank of England (BoE) to pause rates at their upcoming meeting also support the bullish momentum for Cable.

**EUR:** EUR/USD struggles for clear directions around five-week high inside short-term ascending triangle. Sustained trading above 100-DMA, upbeat oscillators favour four-day uptrend but pre-Fed anxiety challenges traders. Mid-February high adds strength to 1.0800 upside hurdle; Euro sellers can return on 1.0700 break. EUR/USD trades water around 1.0770-80 as pre-Fed anxiety intensifies during early Wednesday. Adding strength to the cautious mood could be a speech from European Central Bank (ECB) President Christine Lagarde, as well as an ascending triangle formation established since March 01.

**INR:** India's currency and debt markets will be closed on Wednesday, March 22, for a public holiday. The markets will resume trading on March 23, Thursday. The Indian rupee INR=IN ended largely flat at 82.6550 per U.S. dollar on Tuesday, as investors were wary ahead of a pivotal U.S. Federal Reserve bank meeting decision, amid major economies grappling with a banking sector crisis.

### Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	130.00	137.20			
<b>GBP/KES</b>	159.00	168.20	<b>GBP/USD</b>	1.2265	1.2295
<b>EUR/KES</b>	140.00	148.20	<b>EUR/USD</b>	1.0785	1.0745
<b>INR/KES</b>		1.6745	<b>AUD/USD</b>	0.6743	0.6745
			<b>USD/INR</b>	81.65	81.31
			<b>Commodities</b>		
			<b>Gold</b>	1938	1980
			<b>Brent Crude</b>	75.03	73.12

### 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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