

DAILY FOREX NEWSLETTER

Monday 28th March 2023

The Kenyan shilling weakened on Monday, as demand for dollar from oil marketers and other importers continued to weigh.

Top News:

- Crude prices retreated on Tuesday after rallying the previous session, with markets focused on developments in the banking crisis and indications of strengthening demand in China.
- Stocks in the Asia-Pacific traded mixed on Tuesday after Wall Street saw eased investor fears of contagion from the recent banking turmoil after First Citizens BancShares agreed to buy large parts of Silicon Valley Bank.

International Markets

USD: The Japanese yen led gains across Asian currencies on Tuesday, while the dollar retreated as traders grew less concerned over an imminent banking crisis and pivoted into more risk-driven assets.

GBP: GBP/USD has scaled above the critical resistance of 1.2300 amid a cheerful market mood. The USD Index is likely to attract more offers in hopes that the Fed will keep interest rates steady. The Cable resumed its upside after a bullish hidden divergence. The GBP/USD pair has extended its recovery above the round-level resistance of 1.2300 in the Asian session. The Cable has got strengthened amid weakness in the US Dollar Index (DXY) in hopes that the Federal Reserve (Fed) will keep interest rates steady in its May monetary policy meeting to contain the banking fiasco.

EUR: EUR/USD is facing temporary hurdles around 1.0820, more gains are in pipeline amid weakness in the USD Index. US Treasury yields have rebounded again on optimism that the US banking crisis would ease further. German HICP is expected to soften firmly to 7.5% from the former release of 9.3%. The EUR/USD pair has turned sideways after a firmer rally near 1.0820 in the Asian session. The major currency pair is struggling in extending its upside; however, more gains seem likely amid improved market sentiment. Fading United States banking jitters and rising hopes for an unchanged monetary policy by the Federal Reserve (Fed) have strengthened the risk appetite theme.

INR: USD/INR consolidation continues as pair struggles to break key resistance at 83.00 level. Indian Rupee lacks momentum despite strong economic fundamentals. Higher lows indicate a potential breakout for USD/INR. USD/INR has been in a consolidation phase since October 2022, with the pair ranging between 81.00 and 83.00 levels. Despite four attempts on a daily timeframe, the pair has failed to break through the key psychological resistance of 83.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.50	135.50			
GBP/KES	162.00	167.20	GBP/USD	1.2355	1.2250
EUR/KES	142.00	146.80	EUR/USD	1.0855	1.0767
INR/KES		1.6725	AUD/USD	0.6745	0.6650
			USD/INR	81.55	82.35
			Commodities		
			Gold	1959	1972
			Brent Crude	77.71	75.24

T-Bills Rates:

Duration	Current	Previous
91 Days	9.829%	9.780%
182 Days	10.344%	10.285%
364 Days	10.787%	10.777%

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