

DAILY FOREX NEWSLETTER

Wednesday 29th March 23

The Kenyan shilling inched to a new low against the dollar on Tuesday, as oil marketers and other importers sought limited supplies of foreign exchange on the interbank market.

Top News:

- Crude prices rose for a third day in early Asian trade on Wednesday as a halt to some exports from Iraqi Kurdistan raised concerns of tightening supply and market sentiment improved as fears of a banking crisis ease.
- Asia-Pacific markets were mostly higher on Wednesday as Alibaba's Hong Kong-listed shares spiked at the open after the Chinese tech giant announced it will split into six business groups.

International Markets

USD: Asian currencies retreated on Wednesday as easing fears of a banking crisis spurred a sharp bounce in Treasury yields, rekindling some bets that the Federal Reserve still has room to keep raising interest rates.

GBP: GBP/USD has sensed buying interest near 1.2320 as USD Index has retreated. S&P500 futures are continuously adding gains as the appeal for risk-sensitive assets has accelerated. UK growth rate is expected to remain stagnant in the fourth quarter. The GBP/USD pair has shown a recovery move after a gradual correction to near 1.2320 in the Asian session. The Cable is aiming to recapture the immediate resistance of 1.2350 as the US Dollar Index (DXY) has retreated after a rebound to near 102.60.

EUR: EUR/USD retreats from weekly top, prints mild losses while snapping two-day uptrend. Mixed sentiment, month-end positioning allows US Dollar to lick its wounds amid firmer US Treasury bond yields. Comparatively more hawkish ECB talks than the Fed counterpart keep buyers hopeful unless German, European HICP disappoints. EUR/USD witnesses' headwinds at the weekly top as Euro traders remain cautious ahead of the key German clues. Adding strength to the pullback moves could be firmer yields and a rebound in US Dollar amid mixed sentiment.

INR: USD/INR extends bounce off three-week-old support line towards short-term key resistance. 200-SMA, fortnight-long descending trend line challenges Indian Rupee bears. Steady RSI suggests further grinding of prices inside triangle formation. USD/INR picks up bids to pare weekly losses around 82.30 as it snaps a two-day downtrend amid early Wednesday. In doing so, the Indian Rupee pair rebounds from an ascending support line from March 06, and stays within the short-term symmetrical triangle.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.50	135.50			
GBP/KES	162.00	167.50	GBP/USD	1.2365	1.2355
EUR/KES	142.50	147.25	EUR/USD	1.0865	1.0855
INR/KES		1.6725	AUD/USD	0.6735	0.6745
			USD/INR	81.30	82.55
			Commodities		
			Gold	1966	1959
			Brent Crude	78.88	77.71

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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