

DAILY FOREX NEWSLETTER

Thursday 2nd March 2023

The Kenya's shilling lost ground on Wednesday, under pressure from dollar demand from all sectors of the economy particularly energy importers.

Top News:

- A rally in Asian shares sputtered on Thursday, pressured by a pullback in Chinese stocks and higher U.S. yields amid fears that global central banks would keep raising interest rates to combat sticky inflation.
- Oil prices inched up in early Asian trade on Thursday, extending gains from the previous two sessions on signs of a strong economic rebound in China, the world's top oil importer, which offset worries about a rise in U.S. crude inventories.

International Markets

USD: The U.S. dollar fell across the board on Wednesday, weighed down by firmer commodity currencies that benefited from China's strong manufacturing activity data, as well as gains in the euro after German inflation soared last month and raised rate hike expectations in the euro zone.

GBP: GBP/USD extends pullback from one-month-old descending resistance line to print three-day downtrend. DUP dislikes mismatch between Brexit deal and UK PM Sunak's promises, British businesses fear economic slowdown due to the terms. BoE's Bailey appeared neutral and probed Cable buyers. Upbeat details of US ISM PMI, Fed talks underpin yields and the US Dollar amid sluggish day. GBP/USD bears attack the 1.2000 psychological magnet during a three-day downtrend amid fresh challenges for the Brexit deal and a rally in the US Treasury bond yields. However, the market's lack of action heading into Thursday's London open appears to restrict the Cable pair's immediate downside.

EUR: EUR/USD is prone to more downside as it has surrendered the critical support of 1.0660 amid the risk-off mood. Escalating odds of a revival in US inflation have fuelled US Treasury yields. The ECB is expected to continue its 50-bps policy tightening spree till the May policy meeting. The EUR/USD pair is on the verge of delivering a sheer downside move as it is looking vulnerable below the critical support of 1.0660 in the Asian session. The downside bias in the major currency pair is backed by soaring US Treasury yields, which is demonstrating a significant decline in the risk appetite of the market participants

INR: The Indian rupee weakened 0.06% versus the U.S. dollar, weighed by the overnight jump in U.S. yields.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	126.50	136.60			
GBP/KES	155.20	164.40	GBP/USD	1.2045	1.2086
EUR/KES	137.70	145.60	EUR/USD	1.0687	1.0625
INR/KES		1.6685	AUD/USD	0.6784	0.6795
			USD/INR	81.55	81.50
			Commodities		
			Gold	1834	1831
			Brent Crude	84.42	83.96

T-Bills Rates:

Duration	Current	Previous
91 Days	9.655%	9.623%
182 Days	10.117%	10.079%
364 Days	10.676%	10.638%

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