

DAILY FOREX NEWSLETTER

Thursday 30th March 23

The Kenyan shilling lost further ground against the dollar on Wednesday, under pressure from fuel importers and manufacturers, but liquidity had increased as activity in the long-dormant interbank market rose.

Kenya's Central Bank raised its benchmark lending rate KECBIR=ECI to 9.50% on Wednesday from 8.75% previously and said there was room for further tightening of monetary policy in anticipation of higher inflation.

Top News:

- Asian stocks rose on Thursday with fears easing on the banking front and the prospect of a break-up at Chinese conglomerate Alibaba offering an encouraging sign that Beijing's regulatory storm focused on tech companies might finally be clearing.
- Oil prices fell on Thursday as the dollar strengthened, with investors keeping close tabs on developments related to the reduction of Iraqi Kurdistan oil exports.

International Markets

USD: The dollar rose against most major peers on Wednesday, reversing some of its recent declines, and gained sharply against the yen, which was volatile as the end of the Japanese fiscal year approaches.

GBP: GBP/USD extends the previous day's pullback from two-month high, stays pressured near intraday low of late. Easing supply-chain hurdles in the UK, comments from BoE's Mann challenge hawkish bias of Governor Andrew Bailey. US Dollar grinds higher even as Fed policymakers highlight data dependency, slower rate hikes. Inflation woes, banking news will be crucial for fresh impulse amid a light calendar. GBP/USD renews intraday low near 1.2295 as it stretches the previous day's U-turn from the highest levels since early February. The Cable pair's latest pullback could be linked to the chatters suggesting hardships for the Bank of England (BoE) hawks, as well as the US Dollar's sustained rebound, amid a sluggish Asian session on Thursday.

EUR: EUR/USD justifies the previous day's bearish candlestick to refresh intraday low, prints the biggest intraday loss in four days. A less hawkish ECB talks join consolidation ahead of the key inflation numbers to tease Euro bears. Fed officials also appear unclear about their next moves even as banking fears recede. ECB's Economic Bulletin, preliminary readings of Germany's HICP for March eyed for fresh impulse. EUR/USD bears are in the driver's seat after a four-day off as the major currency pair drops to 1.0830 while extending the previous day's U-turn from the weekly high amid early Thursday

INR: India's currency, debt and equity markets will be closed on Thursday, March 30, for a public holiday. The rupee INR=IN weakened 0.18% to quote at 82.3375 per U.S. dollar, with its Asian peers mixed amid a rebound in Treasury yields that supported the dollar index

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	131.50	135.00			
GBP/KES	162.00	167.00	GBP/USD	1.2345	1.2365
EUR/KES	142.50	147.00	EUR/USD	1.0886	1.0865
INR/KES		1.6535	AUD/USD	0.6725	0.6735
			USD/INR	81.25	81.30
			Commodities		
			Gold	1962	1966
			Brent Crude	78.00	78.88

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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