

DAILY FOREX NEWSLETTER

Friday 31st March 2023

The Kenyan shilling traded flat against the dollar on Thursday, as the long-dormant interbank market picked up steam, helping to meet foreign exchange demand. Kenya's economy is expected to expand by 5.8% in 2023, a slower pace than the previously forecast 6.1% because of lower growth in the agricultural sector, Central Bank Governor Patrick Njoroge said on Thursday. Kenya's statistics office is due to release consumer inflation data for March. Inflation was 9.2% year-on-year in February.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	131.70	135.00			
GBP/KES	162.50	167.40	GBP/USD	1.2430	1.2345
EUR/KES	143.20	147.30	EUR/USD	1.0945	1.0886
INR/KES		1.6535	AUD/USD	0.6755	0.6725
			USD/INR	81.20	81.25
			Commodities		
			Gold	1980	1962
			Brent Crude	79.09	78.00

T-Bills Rates:

Duration	Current	Previous
91 Days	9.907%	9.829%
182 Days	10.399%	10.344%
364 Days	10.800%	10.787%

Top News:

- Asian shares were headed for a second quarterly gain on Friday while bonds were enjoying the best month since 2008, but the market was braced for a stormy session after an upside surprise in German CPI raised the stakes for U.S. inflation data.
- Oil prices climbed in early Asian trade on Friday as sentiment was boosted by an expansion in factory activity in China, the world's second largest crude consumer, and as concerns grew about Middle Eastern supply.

International Markets

USD: The U.S. dollar fell to a 1-week low against the euro on Thursday as German inflation data helped lift the common currency and as concerns over the banking sector receded.

GBP: GBP/USD is looking to recapture a two-month high at 1.2450 as the risk profile remains upbeat. The USD Index is defending the 102.20 support in hopes of the continuation of a policy-tightening spell by the Fed. Mixed views on BoE's monetary outlook will keep Pound Sterling volatile. The GBP/USD pair is aiming to re-test its two-month high at 1.2448 in the Asian session. The Cable is attracting bullish bets despite expectations for a steady monetary policy by the Federal Reserve (Fed) have eased.

EUR: EUR/USD grinds higher after refreshing one-week top, retreats from intraday peak of late. Pre-data anxiety seems probing Euro buyers as markets anticipate easing inflation fears. Comparative more hawkish ECB speakers, than the Fed ones, join upbeat EU data to keep buyer's hopeful. German Retail Sales can entertain EUR/USD traders ahead of Eurozone HICP, US Core PCE Price Index. EUR/USD stays defensive around 1.0910 after refreshing the weekly high to 1.0925 during early Friday. In doing so, the Euro pair portrays the market's cautious mood ahead of the key inflation clues from Eurozone and the US. Adding strength to the pullback moves could be the recently sluggish Treasury bond yields.

INR: USD/INR seesaws around three-week low amid cautious markets. Yields grind higher but receding hawkish Fed bets favour Indian Rupee buyers. Second-tier statistics from India can entertain traders ahead of US Core PCE Price Index. Easing US inflation could weigh on US Dollar, especially amid banking-led optimism. USD/INR stays defensive above 82.00, keeping the latest bounce off three-week low amid Friday's sluggish Asian session.

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