

DAILY FOREX NEWSLETTER

Friday 3rd March 2023

The Kenya's shilling slid against the dollar on Thursday, as hard-currency demand from fuel importers and manufacturers outstripped supply,

Top News:

- Asian shares rose on Friday after Wall Street reversed losses on signals of a measured policy tightening approach from the U.S. Federal Reserve as well as on prospects of a solid economic recovery in China.
- Oil prices fell on Friday but were poised for a weekly gain as renewed optimism on China's demand recovery over-rode recession worries brought by growing crude inventories in the U.S. and tightening monetary policy in Europe.

International Markets

USD: The dollar strengthened on Thursday after unemployment claims pointed to a still strong U.S. jobs market and other data showed growing labor costs, indicating the Federal Reserve has further to go in raising interest rates to tame inflation.

GBP: GBP/USD picks up bids to refresh intraday high, bouncing off weekly low to snap three-day downtrend. Former British PM Boris Johnson's attack on Brexit deal, unimpressive comments from BoE's Pill probe Cable buyers. Fed's Bostic hints at policy pivot in late summer and weigh on US Treasury bond yields, US Dollar. UK S&P Global/CIPS Services PMI, US ISM Services PMI will be crucial for immediate directions. GBP/USD recovers from the weekly low as it renews its intraday high near 1.1970 while printing the first daily gains in four during early Friday. In doing so, the Cable pair pays little heed to the Brexit-negative headlines, as well as mixed comments from the Bank of England (BoE) officials as the Federal Reserve (Fed) speakers struggle to defend the hawkish bias.

EUR: EUR/USD is looking to shift its auction profile above 1.0600 as the risk-off mood retreats. The 10-year US Treasury yields have slipped to 6.05%, indicating a recovery in the risk appetite. Eurozone Retail Sales might continue their declining trend ahead. The EUR/USD pair has scaled above the round-level resistance of 1.0600 in the Asian session after a recovery move. The major currency pair is looking to sustain its auction above 1.0600 as the US Dollar Index (DXY) is displaying a subdued performance despite hawkish commentaries from Federal Reserve (Fed) policymakers.

INR: USD/INR prints five-week losing streak as bears attack the lowest level in nearly a month. Hopes of robust economic recovery in India, hawkish RBI bets underpin INR strength. Fresh chatters surrounding Fed's policy pivot weigh on prices. US ISM Services PMI should be eyed for intraday directions. USD/INR takes offers to refresh multi-day low near 82.20 amid a broad US Dollar pullback during early Friday. In doing so, the Indian Rupee (INR) pair drops to the lowest levels since February 09 during the five-day downtrend.

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	1.2035	1.2045
EUR/KES	137.70	145.60	EUR/USD	1.0635	1.0687
INR/KES		1.6685	AUD/USD	0.6784	0.6784
			USD/INR	81.25	81.55
			Commodities		
			Gold	1838	1834
			Brent Crude	84.55	84.42

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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