

DAILY FOREX NEWSLETTER

Tuesday 7th March 2023

The Kenya's shilling weakened to a new all-time low on Monday, undermined by sustained dollar demand from the energy and manufacturing sectors while there were little foreign-currency inflows from remittances and exports.

Top News:

- Asian financial markets were little changed on Tuesday as investors awaited congressional testimony from Federal Reserve Chair Jerome Powell due to start later in the day for clues on the central bank's next move on interest rates.
- Oil prices edged up after industry executives flagged concerns about limited spare capacity in the market and uncertainty over Russian supplies while demand from top crude importer China is recovering.

International Markets

USD: The U.S. dollar was tentative on Tuesday ahead of testimony by U.S. Federal Reserve chair Jerome Powell, while the Aussie slid after the Reserve Bank of Australia raised its cash rate by 25 basis points but tempered hawkishness in its statement.

GBP: GBP/USD is demonstrating a sideways performance ahead of Fed Powell's testimony. The street is having mixed responses to Fed Powell's testimony for interest rate guidance. UK's Industrial and Manufacturing Production data might contract due to higher rates by the Bank of England (BoE). The GBP/USD pair is displaying a lackluster performance in an extremely narrow range around 1.2020 in the Asian session. The Cable has been gyrating in a range of 1.2000-1.2050 from Monday as investors look more interested in going gung-ho for building positions after Federal Reserve (Fed) chair Jerome Powell's testimony.

EUR: EUR/USD is approaching 1.0700 as investors have shrugged off US recession fears. Federal Reserve's Powell might wait for February's data before delivering guidance on interest rates. European Central Bank's Lagarde to sound hawkish amid renewed fears of high inflation in the Eurozone. EUR/USD is aiming higher amid a bullish momentum as the RSI (14) has shifted into the bullish range. EUR/USD is an inch far from the round-level resistance of 1.0700 after a gradual move from 1.0680 in the Asian session. The major currency pair has been strengthened as investors' risk appetite has improved. Investors have shrugged off recession risks associated with the United States economy due to higher rates from the Federal Reserve.

INR: USD/INR fades bounce off five-week low but struggles to gain momentum ahead of top-tier event. Cautious optimism, sluggish yield and mildly bid Oil price add to the Indian Rupee pair trader's indecision. Fed Chair Jerome Powell's Testimony eyed amid fears of dovish guidance versus mostly firmer yields. USD/INR treads water around 81.80 during early Tuesday, following the successful rebound from a five-week low the previous day.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	129.50	137.80			
GBP/KES	156.80	166.40	GBP/USD	1.2085	1.2085
EUR/KES	139.20	147.70	EUR/USD	1.0695	1.0689
INR/KES		1.6985	AUD/USD	0.6745	0.6797
			USD/INR	81.27	81.17
			Commodities		
			Gold	1848	1854
			Brent Crude	86.42	85.04

T-Bills Rates:

Duration	Current	Previous
91 Days	9.698%	9.655%
182 Days	10.165%	10.117%
364 Days	10.690%	10.676%

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