

DAILY FOREX NEWSLETTER

Monday 17th April 2023

The Kenyan shilling weakened against the dollar on Friday as fuel retail companies' appetite outstripped foreign currency inflows.

International Markets

- Asian stocks traded cautiously on Monday as U.S. earnings season gets into full swing, while a raft of Chinese data will offer insight into how the world's second-largest economy is recovering.
- Oil prices edged up on Monday, supported by OPEC+'s plans to cut more output, while investors eyed Chinese economic data for signs of a demand recovery by the world's No. 2 oil consumer.

USD: Most Asian currencies fell on Monday as hawkish comments from Federal Reserve officials spurred renewed fears of rising interest rates, which in turn helped the dollar extend its recovery from one-year lows.

GBP: GBP/USD has shown some recovery as USD Index fails to extend recovery. Decelerating the UK labor cost index will provide some relief to BoE policymakers. US Retail Sales report showed that demand for costly items, which involves the cost of financing remained weak, remained weak. The GBP/USD pair has witnessed some buying interest after dropping below the round-level support of 1.2400 in the Asian session. The Cable is showing some recovery; however, a wait-and-watch approach looks more feasible as the upside structure in US Dollar Index (DXY) has not been dented yet.

EUR: EUR/USD picks up bids from intraday low amid two-day pullback from the highest level in a year. Doubts about US debt default, hawkish ECB talks and economic recovery hopes underpin Euro pair's corrective bounce. Mostly upbeat US data, Fed comments push back odds of Fed policy pivot, rate cuts and defend EUR/USD bears. Speech from ECB's Lagarde can entertain intraday traders, preliminary PMIs are the key. EUR/USD consolidates intraday losses around 1.0980 as pair traders seek more clues to extend the previous day's fall amid a sluggish Monday morning in Europe. In doing so, the Euro pair cheers the US Dollar's failure to defend the corrective bounce from the one-year low amid doubts about the US economic recovery amid the deadlock over the government debt ceiling extension.

INR: USD/INR is looking to extend its recovery above 82.00 amid a recovery in the USD Index. A consecutive 25bp rate hike is highly anticipated as US core inflation has shown evidence of extreme stubbornness. India's FX reserves jumped to a 9-month high of \$584.76 bln for the week ended April 7. The USD/INR pair is aiming to extend its recovery above the critical resistance of 82.00 in the Asian session.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	133.30	136.00			
GBP/KES	164.05	169.80	GBP/USD	1.2455	1.2537
EUR/KES	145.20	149.85	EUR/USD	1.1025	1.1065
INR/KES		1.6700	AUD/USD	0.6745	0.6780
			USD/INR	81.25	81.50
			Commodities		
			Gold	2006	2040
			Brent Crude	86.30	86.40

T-Bills Rates:

Duration	Current	Previous
91 Days	10.072%	10.004%
182 Days	10.428%	10.368%
364 Days	10.932%	10.857%

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