

# DAILY FOREX NEWSLETTER

Thursday 20<sup>th</sup> April 2023

The Kenya's shilling weakened on Wednesday, undermined by increased demand for dollars from oil retailers and manufacturers, and listed companies preparing to pay dividends to their foreign shareholders.

## International Markets

- Oil prices fell on Thursday as muted U.S. economic data and expectations of interest rate hikes pushed up the U.S. dollar, prompting fear of a stronger dollar hurting global oil demand by making it more expensive.
- Asia-Pacific markets were largely lower on Thursday as investors on Wall Street digest more earnings reports from names like Netflix, IBM and Morgan Stanley.

**USD:** The dollar strengthened on Wednesday, lifted by rising Treasury yields, though the pound gained against the greenback after British inflation stayed above 10% in March and put more pressure on the Bank of England to keep raising rates.

**GBP:** GBP/USD is consolidating above 1.2420, following the footprints of the USD Index. US firms are expected to announce mute revenue guidance due to higher rates by the Fed and tight credit conditions. The major driver of sticky United Kingdom inflation is the rising food prices. The GBP/USD pair is displaying a back-and-forth action above 1.2420 in the Asian session. The Cable has turned sideways amid subdued performance by the US Dollar Index. The USD Index is struggling to find a decisive direction amid an absence of a potential trigger. However, a sheer volatility contraction in the USD Index is expected to deliver explosive moves ahead.

**EUR:** EUR/USD portrays bullish consolidation ahead of key data/events, side-lined of late. US Dollar, yields seek fresh clues to extend gains inspired by rate-hike jitters, geopolitical woes. Recession woes, cautious ECB talks highlight Eurozone Consumer Confidence for April, ECB clues. Risk catalysts, interest rate futures are the key for clear directions. EUR/USD grinds higher as it consolidates the previous day's losses around 1.0960 heading into Thursday's European session. In doing so, the Euro pair cheers the latest retreat of the US Dollar and Treasury bond yields. However, the cautious mood ahead of the key Eurozone data/events challenges the momentum traders, especially amid sluggish markets.

**INR:** The Indian rupee strengthened 0.06% versus the U.S. dollar, inches up after running into dollar offers from speculators at 82.20 levels.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	134.00	136.10			
GBP/KES	164.50	169.25	GBP/USD	1.2448	1.2445
EUR/KES	145.10	149.30	EUR/USD	1.0995	1.0980
INR/KES		1.6680	AUD/USD	0.6746	0.6765
			USD/INR	81.95	81.85
			Commodities		
			Gold	1992	2003
			Brent Crude	82.20	84.55

## 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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