

# DAILY FOREX NEWSLETTER

Tuesday 25th April 2023

The Kenyan shilling traded Stable against the dollar on Monday.

## International Markets

- Asia-Pacific markets were largely lower on Tuesday, following a similar session on Wall Street as investors look ahead to Big Tech earnings later this week.
- Oil prices slipped in early trade on Tuesday, paring gains from the previous session, as investors weighed strong holiday travel in China that could boost fuel demand with the prospect of rising interest rates elsewhere slowing economic growth.

**USD:** Most Asian currencies fell on Tuesday, taking little support from a weaker dollar as markets continued to fret over rising U.S. interest rates, while fears of slowing economic growth kept appetite for risk-driven assets limited.

**GBP:** GBP/USD is gathering strength to shift its auction above \$1.2500 amid a sell-off in the USD Index. The Fed might go for a steady stance on the interest rate guidance to recede fears of a US economic slowdown. Further quantitative tightening is expected from the BoE as UK inflation is stuck in double-digit territory. The GBP/USD pair has reclaimed the psychological resistance of 1.2500 in the Asian session. The Cable has shown a stellar upside move amid weakness in the US Dollar Index (DXY). The USD Index has refreshed its weekly low at 101.20 and more downside is in pipeline as investors are anticipating that the Federal Reserve (Fed) will conclude its quantitative tightening program after a 25-basis point (bp) interest rate hike in May.

**EUR:** EUR/USD has dropped after failing to sustain above 1.1060 as USD Index has attempted a recovery. Losses in the S&P500 futures are escalating amid anxiety ahead of US GDP figures and corporate profits. Preliminary annualized GDP (Q1) is expected to decline to 2% from the former release of 2.6%. The EUR/USD pair has faced some selling pressure after climbing above 1.1060 in the Asian session. A loss in the upside momentum in the major currency pair is backed by a recovery attempt by the US Dollar Index (DXY).

**INR:** USD/INR rebounds from one-week low, snaps three-day losing streak. Anxiety surrounding US debt ceiling expiration joins consolidation ahead of top-tier US data to weigh on sentiment. Upbeat Oil price also prod Indian Rupee buyers ahead of India fiscal deficit statistics. USD/INR bounces off the lowest level in a week as it picks up bids to 81.90 during early Tuesday in Europe. In doing so, the Indian Rupee (INR) pair takes clues from the market's risk appetite and upbeat Oil price amid a sluggish session.

## Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency    | Today  | Previous |
|----------|--------|---------|-------------|--------|----------|
| USD/KES  | 134.60 | 136.90  |             |        |          |
| GBP/KES  | 166.50 | 171.10  | GBP/USD     | 1.2535 | 1.2449   |
| EUR/KES  | 147.50 | 151.50  | EUR/USD     | 1.1087 | 1.0987   |
| INR/KES  |        | 1.6785  | AUD/USD     | 0.6695 | 0.6745   |
|          |        |         | USD/INR     | 81.75  | 81.75    |
|          |        |         | Commodities |        |          |
|          |        |         | Gold        | 1991   | 1977     |
|          |        |         | Brent Crude | 82.64  | 80.73    |

## 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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