

DAILY FOREX NEWSLETTER

Monday 3rd April 2023

The Kenyan shilling held steady against the dollar on Friday, as foreign exchange inflows from the agriculture sector and tea companies buttressed the local unit.

Top News:

- Oil prices surged on Monday after Saudi Arabia and other OPEC+ producers announced a surprise round of output cuts, a potentially ominous sign for global inflation just days after a slowdown in U.S. price data had boosted market optimism.
- Oil prices jumped about \$5 a barrel on Monday's open, jolted by a surprise announcement by OPEC+ to cut production further in an effort to support market stability.

International Markets

USD: The dollar rose against the euro on Friday but was on track for its fifth straight weekly loss against the common currency, after slower U.S. consumer spending growth boosted hopes the Federal Reserve would be less aggressive in hiking interest rates.

GBP: GBP/USD has rebounded in an attempt to defend the 1.2300 support. S&P500 futures have reported significant losses as higher oil prices would accelerate input costs. The Fed will look for raising rates further in May if inflation gets exploded with solid oil prices. The GBP/USD pair is making efforts in defending its round-level support of 1.2300 in the Asian session. The Cable witnessed a sheer decline in the early Tokyo session as investors discounted the impact of higher oil prices after an announcement of further oil production cuts by OPEC+.

EUR: EUR/USD extends pullback from 10-week-old horizontal resistance, renews intraday low of late. Downside break of 13-day-old support line, easing bullish bias of MACD signals add strength to bearish view. Convergence of 50-DMA, 21-DMA joins RSI (14) retreat to challenge EUR/USD bears. Receding hawkish hopes from Fed, recently mixed US data prod Euro pair sellers. EUR/USD takes offers to renew intraday low around 1.0790 as it extends the previous U-turn from a short-term key hurdle during early Monday. Adding strength to the downside bias is the clear break of a two-week-old support line, now resistance, as well as the receding bullish bias of the MACD.

INR: USD/INR extends the previous day's rebound from 10-week-old ascending support line. Upside break of 200-SMA, firmer but not overbought RSI favour Indian Rupee sellers. Convergence of 13-day-old resistance line, 23.6% Fibonacci retracement challenges USD/INR bulls. USD/INR prints the biggest daily gains in more than two weeks as it rises to 82.45 during early Monday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	131.70	135.00			
GBP/KES	161.60	166.40	GBP/USD	1.2320	1.2430
EUR/KES	142.20	146.30	EUR/USD	1.0825	1.0945
INR/KES		1.6535	AUD/USD	0.6795	0.6755
			USD/INR	81.21	81.20
			Commodities		
			Gold	1951	1980
			Brent Crude	83.71	79.09

T-Bills Rates:

Duration	Current	Previous
91 Days	9.907%	9.829%
182 Days	10.399%	10.344%
364 Days	10.800%	10.787%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2