

DAILY FOREX NEWSLETTER

Monday 3rd April 2023

The Kenyan shilling was stable against the dollar on Monday, shored up by increased hard currency liquidity thanks to the revival of the long-dormant interbank market.

Persistent unmatched foreign exchange demand from fuel importers and the manufacturing industry has caused the shilling to lose 7% of its value against the greenback this year, according to Refinitiv data.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	131.70	135.00			
GBP/KES	163.00	167.70	GBP/USD	1.2450	1.2320
EUR/KES	143.20	147.25	EUR/USD	1.0945	1.0825
INR/KES		1.6525	AUD/USD	0.6792	0.6795
			USD/INR	81.22	81.21
			Commodities		
			Gold	1979	1951
			Brent Crude	85.29	83.71

T-Bills Rates:

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

Top News:

- Oil prices steadied in early Asian trade on Tuesday after OPEC+ plans to cut more production jolted markets the previous day, with investors' attention shifting to demand trends and the impact of higher prices on the global economy.
- Asia-Pacific markets were mixed rose on Tuesday after the Reserve Bank of Australia held its cash rate target steady at 3.60% with the Australian dollar weakening against the U.S. dollar following the move.

International Markets

USD: The dollar bears have been beating the Federal Reserve rate-cut drum, dragging the greenback lower but that tune may soon be out of rhythm should the economic impact from the banking crisis remain modest.

GBP: GBP/USD has shown a recovery move from 1.2400 as hawkish Fed bets have vanished dramatically. The USD Index is facing barricades in extending its recovery above 102.20. Weaker-than-anticipated US ISM Manufacturing PMI data has deepened fears of recession. The GBP/USD pair has attempted a recovery after a marginal correction to near 1.2400 in the Tokyo session. The Cable resisted further correction as hawkish Federal Reserve (Fed) bets inspired by upbeat oil prices have receded significantly.

EUR: EUR/USD clings to mild losses near 1.0890 as it pares the week-start gains amid sluggish session. US Dollar tracks recovery in yields despite downbeat Fed bets, softer US data. Russia's Lavrow indirectly warns Eurozone and weighs on Euro while fresh US-China tension also allows USD to lick its wounds. Second-tier US, EU data can entertain traders, but risk catalysts are the key to follow for clear directions. EUR/USD makes rounds to 1.0890-85 as the bulls take a breather amid a light calendar, as well as mildly offbeat sentiment, during early Tuesday.

INR: USD/INR picks up bids to reverse Monday's pullback from one-week high. Firmer Oil price, US Dollar's consolidation weighs on Rupee amid India holiday. US Factory Orders may entertain intraday traders ahead of Wednesday's RBI Interest Rate decision. Friday's US NFP appears crucial amid receding hawkish Fed bets. USD/INR regains upside momentum as bulls prod 82.22 level during early Tuesday, after a downbeat start of the week.

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