



DOMESTIC NEWS

The Kenya shilling hit a new record low against the dollar on Monday before recovering with increased foreign currency demand from importers especially in the energy sector applying pressure. Commercial banks quoted the shillings at 124.60/80 per dollar compared to Friday's close of 124.45/65.

In other news in the local markets, Kenya's current account deficit to GDP for 2022 has come in nearly a percentage point lower than earlier projected by the Central Bank of Kenya (CBK) following a better-than-expected performance of export earnings and higher diaspora inflows in the last quarter of the year. The CBK said last week that the deficit, which measures the difference between a country's forex inflows and outflows, was estimated at 4.9 percent at the end of December 2022. As late as November, the monetary regulator was projecting the deficit at 5.6 percent. The current account deficit stood at 5.4 percent in 2021, having gone up from 4.6 percent in 2020. *(Business daily)*

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	121.40	131.90	120.90	131.40
GBP/KES	146.45	165.95	145.65	160.45
EUR/KES	129.20	155.10	129.50	148.10
AED/KES	30.00	40.00	32.00	39.50

	Amounts > 10 million		Amounts >100,000	
	KES		USD	
2 Weeks	7.00%		1.25%	
1 Month	7.00%		2.00%	
3 Months	7.50%		2.50%	
6 Months	8.00%		3.25%	
1 year	8.50%		4.00%	

(Source: Reuters)



INTERNATIONAL NEWS

The dollar jumped to a four-week high against the euro on Monday, as last week's blockbuster U.S. jobs report raised the likelihood of the U.S. Federal Reserve keeping on with its inflation-fighting interest rate hikes for longer. The euro slipped 0.6% against the dollar to \$1.0724, its lowest since Jan. 9, following a 1% drop on Friday. The euro remains not far from the 10-month high of \$1.1034 hit last week. Sterling slipped 0.2% on the day at \$1.20245, a fresh one-month low, as traders look to British growth data and remarks from Bank of England policymakers about the pace of interest rate hikes for clues to the outlook for the British currency. On Friday, data showed U.S. job growth accelerated sharply in January while the unemployment rate hit more than a 53-1/2-year low of 3.4%, pointing to a stubbornly tight labor market, and a potential headache for Federal Reserve officials as they fight inflation.

In the commodities markets, Oil prices extended gains on Tuesday as markets held out for a swift recovery in Chinese demand this year, although anticipation of an address by Federal Reserve Chair Jerome Powell kept traders from making big bets. Crude prices recovered sharply on Monday after the International Energy Agency reiterated that a recovery in China will drive oil demand to record highs this year, as the country marked a clear pivot away from its strict anti-COVID policies in January. Brent oil futures rose 0.3% to \$81.61 a barrel, while West Texas Intermediate crude futures rose 0.2% to \$74.70 a barrel by 20:50 ET (01:50 GMT). Both contracts surged over 1% on Monday.

Gold prices steadied at a near one-month low on Tuesday amid continued pressure from strength in the dollar and Treasury yields, with focus now turning to economic cues from a talk by Federal Reserve Chair Jerome Powell later in the day. Spot gold was flat at \$1,868.49 an ounce, while gold futures rose 0.1% to \$1,881.20 an ounce by 19:00 ET (00:00 GMT). Both instruments plummeted over 3% last week.

In the Crypto currencies market, the Bitcoin (BTC) price surge above \$20,000 in the second week of January led to a market FOMO (fear of missing out), especially among small BTC holders. There was a significant surge in BTC addresses holding 0.1 BTC or less after Jan. 13. According to data shared by crypto analytics firm Sentiment, 620,000 new BTC addresses have popped up since the Jan. 13 BTC price surge, totaling 39.8 million. *(Reuters)*

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0536	1.0956
GBP/USD	1.1857	1.2245
USD/ZAR	15.6101	19.6159
USD/AED	3.6629	3.6835
USD/JPY	130.52	134.25