

DAILY FOREX NEWSLETTER

Thursday 15th June 2023

The Kenyan shilling was slightly weaker on Wednesday due to increased demand for foreign currency from the manufacturing and energy sectors.

International Markets

- Asia-Pacific markets rose after the U.S. Federal Reserve held off on a rate hike while projecting that another two quarter percentage point moves are on the way before the end of the year.
- European markets are heading for a negative open as investors prepare for the latest monetary policy decision from the European Central Bank.

USD: The U.S. dollar slid on Wednesday after the Federal Reserve held interest rates steady, as expected, but signaled that borrowing costs will increase by another 50 basis points (bps) by end-December.

GBP: GBP/USD fades bounce off intraday low during the first loss-making day in three. Hawkish Fed halt joins mixed UK data, post-FOMC consolidation to tease Cable bears. US Retail Sales, chatters about Fed vs. BoE divergence appear the key for fresh impulse. GBP/USD remains depressed around 1.2650 as it prints the first daily loss in three heading into Thursday's London open.

EUR: EUR/USD retreats further from a multi-week top and is pressured by a stronger USD. The Fed's hawkish outlook lifts the US bond yields and helps revive the USD demand. The downside seems cushioned as traders seem reluctant ahead of the ECB meeting. The EUR/USD pair attracts some selling following an early uptick to the 1.0845 region during the Asian session on Thursday and retreats further from a nearly one-month high touched the previous day. The pair currently trades near the lower end of its intraday trading range, just above the 1.0800 mark, and for now, seems to have snapped a three-day winning streak, though any meaningful downside seems elusive.

INR: USD/INR clings to mild gains after bouncing off one-month low, snaps five-day losing streak. Fed's hawkish halt joins downbeat China data to weigh on Indian Rupee amid sluggish session. US Retail Sales, mid-tier activity, jobs data eyed as FOMC highlights data dependency for each upcoming meeting. USD/INR picks up bids to print minor intraday gains around 82.15 during the first positive day in six amid early Thursday in Europe.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	138.50	142.00			
GBP/KES	175.00	179.60	GBP/USD	1.2667	1.2645
EUR/KES	149.60	153.65	EUR/USD	1.0842	1.0795
INR/KES		1.7345	AUD/USD	0.6846	0.6798
			USD/INR	81.95	82.05
			Commodities		
			Gold	1932	1946
			Brent Crude	73.03	74.58

T-Bills Rates:

Duration	Current	Previous
91 Days	11.414%	11.103%
182 Days	11.548%	11.112%
364 Days	11.608%	11.497%

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