

DAILY FOREX NEWSLETTER

Tuesday 20th June 2023

The Kenya's shilling was broadly stable in a quiet market on Monday, bolstered by an inflow of dollars from diaspora remittances, but was likely to extend its weakening run in the coming week.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	138.60	142.20			
GBP/KES	177.30	182.00	GBP/USD	1.2810	1.2835
EUR/KES	151.50	155.50	EUR/USD	1.0946	1.0957
INR/KES		1.7385	AUD/USD	0.6845	0.6894
			USD/INR	81.45	81.75
			Commodities		
			Gold	1948	1957
			Brent Crude	75.94	75.57

T-Bills Rates:

Duration	Current	Previous
91 Days	11.640%	11.414%
182 Days	11.649%	11.548%
364 Days	11.734%	11.608%

International Markets

- Oil prices were mixed on Tuesday ahead of a decision on lending benchmarks by China, with the world's second-largest economy widely expected to cut key rates to shore up a slowing recovery.
- Asia-Pacific markets traded mixed Tuesday as investors digested China's Central Bank decision to cut its one-year and five-year loan prime rate by 10 basis points each to 3.55% and 4.20%, respectively. The move comes after the People's Bank of China cut some of its key lending rates last week.

USD: The dollar edged higher, and the UK pound was near a 14-month peak on Monday as investors digested a slew of monetary policy decisions by Central Banks last week and looked ahead to a crunch decision by the Bank of England on Thursday.

GBP: GBP/USD remains sidelined after reversing from 14-month high. Jump in UK government's two-year borrowing cost propel hawkish BoE concerns. Fed talks, mixed US data lures Pound Sterling bears as full markets return. UK CPI, second-tier US data may entertain Cable traders ahead of BoE, Fed Chair Powell's Testimony. GBP/USD remains defensive near 1.2780 as it struggles to justify the hawkish concerns about the Bank of England ahead of the UK's inflation data.

EUR: EUR/USD lacks any firm intraday direction and oscillates in a range through the Asian session. A goodish pickup in the US bond yields underpins the USD and acts as a headwind for the pair. The ECB's hawkish outlook lends some support to the Euro and helps limit any meaningful slide. The EUR/USD pair struggles to gain any meaningful traction on Tuesday and oscillates in a narrow trading band, just above the 1.0900 round-figure mark through the Asian session.

INR: USD/INR picks up bids to extend bounce of seven-month-old ascending support line. RSI rebound from oversold territory favor corrective move in Indian Rupee. 100-DMA acts as extra upside filter before welcoming USD/INR bulls. Multi-month-old symmetrical triangle restricts the pair's broad moves, suggest further recovery. USD/INR renews its intraday high near 82.10 as it prints a three-day uptrend while bouncing off the key support line amid early Tuesday in Europe

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