

# DAILY FOREX NEWSLETTER

Wednesday 21st June 2023

The Kenya's shilling inched lower on Tuesday amid dollar demand from all economic sectors and limited inflows.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	138.60	142.30			
GBP/KES	177.00	181.70	GBP/USD	1.2805	1.2810
EUR/KES	151.40	155.40	EUR/USD	1.0944	1.0946
INR/KES		1.7353	AUD/USD	0.6815	0.6845
			USD/INR	81.55	81.45
			Commodities		
			Gold	1936	1948
			Brent Crude	76.26	75.94

## 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

- Asian stocks were subdued on Wednesday as a lack of new stimulus steps from Beijing frustrated investors, who were also wondering just how hawkish the world's most powerful central banker would choose to be later in the session.
- Oil prices rebounded early on Wednesday, recovering after two straight sessions of losses, as expectations of hawkish Fed talk later in the afternoon and possible U.S. crude stock draws in outweighed China demand worries.

**USD:** Most Asian currencies fell on Wednesday, while the dollar steadied from recent losses as markets hunkered down before more cues on monetary policy from Federal Reserve Chair Jerome Powell later in the day.

**GBP:** GBP/USD pauses corrective bounce off one-week low after two-day losing streak as UK inflation data looms. Overbought RSI suggests further grinding of Cable prices toward the south but 10-DMA, May's peak can prod bears. Pound Sterling needs clear break of 1.2850 and upbeat UK CPI to aim for the 1.3000 psychological magnet. GBP/USD fades corrective bounce off weekly low as it retreats to 1.2760 amid the early hours of Wednesday's Asian session, sidelined of late.

**EUR:** EUR/USD is oscillating above 1.0900 as the focus shifts to Fed Powell's testimony. Investors would like to see whether Fed Powell would stand on guidance already delivered. ECB Lagarde has confirmed that a rate hike in the July meeting is appropriate. The EUR/USD pair is demonstrating a non-directional performance above the round-level support of 1.0900 in the Asian session.

**INR:** USD/INR prints four-day losing streak as markets await Fed Chair Powell's bi-annual testimony. Hawkish Fed talks, upbeat US data and China woes propel US Dollar amid sluggish markets. Upbeat WTI crude oil price, Fed vs. RBI play weigh on Indian Rupee. USD/INR grinds higher around the intraday top surrounding 82.15 as it rises for the fourth consecutive day heading into Wednesday's European session. In doing so, the Indian Rupee (INR) not only bears the burden of the upbeat US Dollar but also justifies fears emanating from China and upbeat Oil price.

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