

# DAILY FOREX NEWSLETTER

Tuesday 27<sup>th</sup> June 2023

The Kenya's shilling was stable on Monday, and it was expected to weaken due to demand for dollars from general goods importer that would outstrip inflows.

Kenya's Central Bank increased its benchmark lending rate KECBIR=ECI to 10.5% on Monday, from 9.5%, citing sustained inflationary pressure, its monetary policy committee said.

## International Markets

- Asian stocks wobbled on Tuesday as investors held tight ranges awaiting clues on the interest rate outlook and wary of risks about China's shaky economic recovery and developments in Russia after an aborted mutiny.
- Oil prices edged higher on Tuesday, spurred by worries about political instability in Russia and possible supply disruptions, as well as U.S. demand hopes ahead of the summer driving season.

**USD:** The dollar rose against the rouble on Monday, although it had pulled back from the 15-month high hit earlier in the session, while the Japanese yen gained modestly against the greenback following comments from the country's top currency diplomat.

**GBP:** GBP/USD attracts some buying on Tuesday and draws support from a modest USD downtick. The Fed's hawkish outlook helps limit losses for the buck and acts as a headwind for the pair. The BoE's aggressive rate hike fuels recession fears and contributes to capping the Sterling. The GBP/USD pair continues to show some resilience below the 1.2700 round-figure mark and regains some positive traction during the Asian session on Tuesday.

**EUR:** EUR/USD attracts fresh buying on Tuesday and draws support from a modest USD weakness. The lack of follow-through buying beyond the 1.0930-35 confluence warrants some caution. A break below last week's swing low is needed to support prospects for any meaningful slide. The EUR/USD pair regains some positive traction following the previous day's directionless price moves and spikes to a three-day peak, around the 1.0935 area during the Asian session on Tuesday.

**INR:** USD/INR takes offers to reverse the previous day's corrective bounce. Hopes of more investment in India, cautious optimism in Asia underpins India Rupee recovery. Oil's struggle, US Dollar's retreat add strength to the USD/INR pullback. US Inflation clues, central bankers' speeches at ECB Forum eyed for clear directions. USD/INR renews its intraday low near 81.95 as it cheers the broadly softer US Dollar amid cautious optimism in the Asia-Pacific zone during early Monday.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	138.60	142.35			
<b>GBP/KES</b>	176.80	181.50	<b>GBP/USD</b>	1.2772	1.2768
<b>EUR/KES</b>	151.70	155.70	<b>EUR/USD</b>	1.0946	1.0945
<b>INR/KES</b>		1.7385	<b>AUD/USD</b>	0.6742	0.6725
			<b>USD/INR</b>	81.47	81.42
			<b>Commodities</b>		
			<b>Gold</b>	1928	1924
			<b>Brent Crude</b>	74.63	74.05

## T-Bills Rates:

Duration	Current	Previous
91 Days	11.785%	11.640%
182 Days	11.863%	11.649%
364 Days	11.934%	11.734%

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