

# DAILY FOREX NEWSLETTER

Wednesday 12th July 2023

The Kenyan shilling slipped to a new low on Tuesday amid elevated demand for dollars from a range of economic sectors including manufacturing and oil firms.

## International Markets

- Asian shares nudged higher, and the dollar was at a two-month low on Wednesday ahead of crucial U.S. inflation data that will help gauge whether the Federal Reserve is at the end of its aggressive rate hike policy.
- Oil nudged higher on Wednesday, extending gains for a second session, as planned supply cuts by the world's biggest oil exporters and hopes for higher demand in the developing world offset wider economic concerns globally.

**USD:** Most Asian currencies rose on Wednesday, while the dollar extended recent losses as markets awaited more signals on where U.S. interest rates will peak, while focus also turned to upcoming inflation data.

**GBP:** GBP/USD surges above the 1.2950 area, hitting the highest since April 2022. Solid UK employment data indicated more Bank of England (BoE) rate hikes. Federal Reserve (Fed) expectations may change based on the US inflation data on Wednesday. The GBP/USD pair climbs above the psychological 1.2950 round mark and holds above that level in the early Asian session this Wednesday.

**EUR:** EUR/USD is sustaining comfortably above 1.1000 as the USD Index has continued its losing spell. The downside momentum in the USD Index indicates that investors are very much confident about only one more interest rate hike from the Fed. ECB Villeroy conveyed that inflation will continue to decline and will be back at 2% by 2025. The EUR/USD pair has confidently shifted above the psychological resistance of 1.1000 in the Asian session.

**INR:** USD/INR takes offers to renew intraday low, prints three-day losing streak. Failure to stay past 82.80, bearish MACD signals favor Indian Rupee pair sellers to prod one-week-old rising trend line. Convergence of 200-SMA, previous resistance line from May 19 limits USD/INR downside. Descending trend line from Thursday restricts recovery moves.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	140.00	143.50			
<b>GBP/KES</b>	181.50	186.20	<b>GBP/USD</b>	1.2995	1.2942
<b>EUR/KES</b>	154.40	158.50	<b>EUR/USD</b>	1.1061	1.1040
<b>INR/KES</b>		1.7525	<b>AUD/USD</b>	0.6735	0.6735
			<b>USD/INR</b>	81.85	81.90
			<b>Commodities</b>		
			<b>Gold</b>	1913	1912
			<b>Brent Crude</b>	78.25	78.05

## T-Bills Rates:

Duration	Current	Previous
91 Days	12.014%	11.904%
182 Days	12.199%	11.947%
364 Days	12.250%	12.157%

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