

# DAILY FOREX NEWSLETTER

Thursday 13th July 2023

The Kenyan shilling was marginally weaker on Wednesday, as lower foreign-currency inflows from the diaspora and persistent dollar demand weighed on the beleaguered currency.

## International Markets

- Asian shares and bonds rallied on Thursday while the dollar nursed heavy losses, as a surprisingly low reading on U.S. inflation stoked speculation the end of the post-pandemic tightening cycle is in sight.
- Oil prices climbed on Thursday after U.S. inflation and economic data sparked hopes that the Federal Reserve may have fewer interest rate hikes in store and Chinese trade data showed monthly oil imports were the second highest on record in June.

**USD:** Most Asian currencies strengthened on Thursday, while the dollar languished at 15-month lows after weaker-than-expected U.S. inflation data spurred bets that the Federal Reserve was close to hitting peak interest rates.

**GBP:** GBP/USD gains traction for the sixth successive day amid the prevailing USD selling bias. The US CPI reaffirms bets that the Fed will end its rate-hiking cycle and weighs on the buck. Expectations for additional rate hikes by the BoE underpin the GBP and remain supportive. The GBP/USD pair trades with a positive bias for the sixth successive day on Thursday and touches a fresh 15-month peak during the Asian session, with bulls now looking to build on the momentum beyond the 1.3000 psychological mark.

**EUR:** EUR/USD has demonstrated a stellar run to near 1.1150 amid an intense sell-off in the USD Index. After a soft US inflation report, hopes for only one interest rate hike this year by the Fed have improved. EUR/USD is gathering strength for delivering a breakout of the slightly rising channel pattern. The EUR/USD pair is consistently moving north with sheer momentum as soft United States Consumer Price Index (CPI) data drummed that only one interest rate hike option has left in the toolkit of the Federal Reserve (Fed) by year-end.

**INR:** The Indian rupee opened 29 paise higher against the US dollar on Thursday on a weak greenback amid hopes that cooling inflation in the US will allow the Federal Reserve to pause interest rate hikes soon. The local currency opened at 81.95 a dollar as compared to the previous close of 82.24.

## 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>	182.00	186.80	<b>GBP/USD</b>	1.3050	1.2995
<b>EUR/KES</b>	156.00	160.10	<b>EUR/USD</b>	1.1195	1.1061
<b>INR/KES</b>		1.7525	<b>AUD/USD</b>	0.6845	0.6735
			<b>USD/INR</b>	81.60	81.85
			<b>Commodities</b>		
			<b>Gold</b>	1956	1913
			<b>Brent Crude</b>	80.31	78.25

## T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2