

DAILY FOREX NEWSLETTER

Tuesday 16th July 2023

The Kenyan shilling edged lower on Monday in quiet trade, with expectation that foreign-currency demand from the energy and manufacturing sectors to pick up this week.

International Markets

- Asian stocks fell on Tuesday as weak Chinese economic data released the previous day continued to weigh on sentiment, while investors were waiting to see if U.S. retail sales data would shine a light on the path for U.S. interest rates.
- Oil prices edged higher in early trade on Tuesday after sinking in the previous session on weaker-than-expected Chinese economic growth, as investors eyed a possible tightening of U.S. crude supplies.

USD: Most Asian currencies kept to a tight range on Tuesday as concerns over slowing economic growth in China continued to weigh, with focus turning to more upcoming cues on the U.S. economy and monetary policy.

GBP: GBP/USD edges higher during the Asian session on Tuesday, albeit lacks follow-through. The divergent Fed-BoE policy expectations support prospects for further appreciating move. Any meaningful corrective slide might be seen as a buying opportunity and remain limited. The GBP/USD pair attracts some dip-buying during the Asian session on Tuesday and for now, seems to have stalled a two-day-old corrective slide from its highest level since April 2022, around the 1.3140 region touched last week.

EUR: EUR/USD climbs to a fresh YTD top and draws support from renewed USD selling bias. Bets that the Fed will soon end its rate-hiking cycle continues to weigh on the Greenback. Expectations for more rate hikes by the ECB underpin the Euro and also act as a tailwind. The EUR/USD pair regains positive traction after the range-bound price action witnessed over the past two days and climbs to its highest level since February 2022, around the 1.1255 region during the Asian session on Tuesday.

INR: The Indian rupee opened 5 paise higher against the US dollar on Tuesday amid broader weakness in the US dollar. The local unit opened at 81.99 a dollar as compared to previous close of 82.04.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	140.10	143.65			
GBP/KES	183.50	188.30	GBP/USD	1.3145	1.3140
EUR/KES	157.70	161.85	EUR/USD	1.1290	1.1260
INR/KES		1.7555	AUD/USD	0.6849	0.6850
			USD/INR	81.75	81.45
			Commodities		
			Gold	1961	1954
			Brent Crude	78.77	79.15

T-Bills Rates:

Duration	Current	Previous
91 Days	12.109%	12.014%
182 Days	12.271%	12.199%
364 Days	12.452%	12.250%

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