

DAILY FOREX NEWSLETTER

Wednesday 19th July 2023

The Kenyan shilling slipped slightly against the dollar Tuesday, extending a long-running slide that has seen the currency hit repeated record lows since late 2021.

International Markets

- Asia-Pacific markets mostly rose on Wednesday as investors digest better-than-expected results from Wall Street.
- Global oil prices rose on Wednesday, boosted by China's pledge to support economic growth, tighter supply from Russia and on lower weekly U.S. crude oil inventories.

USD: Most Asian currencies fell on Wednesday as the dollar rebounded from 15-month lows, with recent U.S. data spurring more bets that the Federal Reserve was close to pausing its rate hike cycle.

GBP: GBP/USD drifts lower for the fourth straight day and is pressured by a modest USD strength. Expectations for a less hawkish Fed and the risk-on mood to cap gains for the safe-haven buck. Rising bets for more aggressive BoE rate hikes should help limit losses ahead of the UK CPI. The GBP/USD pair remains under some selling pressure for the fourth successive day on Wednesday and retreats further from its highest level since April 2022, around the 1.3140 region touched last week.

EUR: EUR/USD stays defensive, mostly pressured, after reversing from 17-month high. US data backs "higher for longer" Fed rate concerns despite talks of policy pivot past July probing USD rebound. Chatters about ECB policymakers' difficulties in conveying future path also weigh on Euro amid mixed sentiment. Final readings of Eurozone inflation for June, US housing data will be in the spotlight, risk catalysts eyed as well. EUR/USD stays on the back foot around 1.1220 heading into Wednesday's European session, extending the previous day's retreat from the highest level since February 2022.

INR: The rupee opened marginally lower on July 19, tracking weaker Asian currencies after US retail sales growth fell short of expectations and weighted on treasuries and the dollar.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	140.20	143.70			
GBP/KES	182.50	187.30	GBP/USD	1.3056	1.3145
EUR/KES	157.40	161.50	EUR/USD	1.1258	1.1290
INR/KES		1.7555	AUD/USD	0.6825	0.6849
			USD/INR	81.65	81.75
			Commodities		
			Gold	1975	1961
			Brent Crude	79.46	78.77

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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