

DAILY FOREX NEWSLETTER

Monday 24th July 2023

The Kenya's shilling was broadly unchanged on Friday, at the end of a muted trading week when activity was thinner than usual because of anti-government protests.

International Markets

- Oil prices eased on Monday as traders await more rate hike cues from U.S. and European Central Banks, with tightening supply and hopes for Chinese stimulus underpinning Brent at \$80 a barrel.
- Asia-Pacific markets were mixed on Monday as investors digested key economic data from across the region.

USD: Most Asian currencies moved little on Friday, while the dollar held on to recent gains as markets hunkered down before a string of Central Bank meetings this week, most notably the Federal Reserve.

GBP: GBP/USD recovers early lost ground to the 1.2860 area during the Asian session on Monday. Investors were mixed about the pace of interest rate hikes by the BoE. The FOMC meeting will be the key highlight this week. The market priced in a 25-bps rate hike. The GBP/USD pair attracts some follow-through buying and bounces off the 1.2815 mark on Monday. The major pair currently trades around 1.2860 in the early Asian session.

EUR: EUR/USD edges higher past 1.1100-1090 support zone ahead of Eurozone, US PMI. EUR/USD edges higher past 1.1100 after bouncing off the lowest level in a week, indecisive around 1.1130. The Euro pair lacks clear directions while defending the previous day's rebound from a three-month-old horizontal support zone.

INR: USD/INR remains sidelined after two-week downtrend, edges higher of late. Reuters poll suggests upbeat India growth but dicey employment conditions. US Dollar Index fades upside momentum as markets brace for Fed Chair Powell's speech. US PMI, Q2 GDP will offer busy week ahead, risk catalysts eyed too. USD/INR grinds higher past 82.00, mostly defensive around 82.05 amid early Monday, as it consolidates the previous two-week downtrend during the market's cautious mood ahead of the top-tier US data/events

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|--------|----------|
| USD/KES | 141.00 | 144.60 | | | |
| GBP/KES | 181.50 | 186.30 | GBP/USD | 1.2910 | 1.2930 |
| EUR/KES | 157.00 | 161.10 | EUR/USD | 1.1144 | 1.1180 |
| INR/KES | | 1.7685 | AUD/USD | 0.6752 | 0.6825 |
| | | | USD/INR | 81.50 | 81.60 |
| | | | Commodities | | |
| | | | Gold | 1961 | 1970 |
| | | | Brent Crude | 80.92 | 80.33 |

T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days | 12.233% | 12.109% |
| 182 Days | 12.322% | 12.271% |
| 364 Days | 12.708% | 12.452% |

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