

# DAILY FOREX NEWSLETTER

Wednesday 26th July 2023

The Kenya's shilling was broadly steady on Tuesday, although it was expected to weaken again soon on increased dollar demand from the manufacturing and energy sectors especially.

## International Markets

- Oil prices eased on Wednesday, sliding from three-month highs hit the previous day after industry data showed an expected rise in U.S. crude stockpiles, but losses were capped amid signs of tighter global supply and hopes for China's economic stimulus.
- Asia-Pacific markets were largely down as investors brace for the U.S. Federal Reserve's rate decision on Wednesday.

**USD:** The dollar was flat against a basket of its major peers on Tuesday, as investors hope a trio of Central Bank meetings this week will provide guidance on the outlook for monetary policy.

**GBP:** GBP/USD meets with some supply on Wednesday and erodes a part of the overnight gains. The USD holds steady near a two-week top and exerts some pressure ahead of the FOMC. Diminishing odds for more aggressive BoE rate hikes contributes to the modest downfall. The GBP/USD pair struggles to capitalize on the previous day's goodish recovery move from the vicinity of over a two-week low and attracts some sellers near the 1.2900 mark during the Asian session on Wednesday.

**EUR:** EUR/GBP remains sideways below 0.8600 ahead of ECB's policy decision. The uncertainty about ECB's guidance for September's monetary policy is building pressure on the Euro. Investors are interested to know whether UK PM Rishi Sunak would meet his promise of easing inflation to 5% by the year-end. The EUR/GBP pair is demonstrating directionless performance in the Asian session around 0.8570.

**INR:** USD/INR struggles to defend the bounce off 14-week low, indecisive of late. Bearish MACD signals, sustained trading below key DMAs, trend line favor Indian Rupee buyers. Convergence of 100, 200 DMA challenge pair buyers, 81.50 appears a tough nut to crack for bears. USD/INR lacks clear directions as it seesaws near 81.90 amid early Wednesday. In doing so, the Indian Rupee (INR) pair fails to extend the previous day's recovery from an 11-week low, as well as an upward-sloping support line from mid-April.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	141.00	144.50			
<b>GBP/KES</b>	181.70	186.50	<b>GBP/USD</b>	1.2945	1.2867
<b>EUR/KES</b>	155.90	160.00	<b>EUR/USD</b>	1.1095	1.1100
<b>INR/KES</b>		1.7700	<b>AUD/USD</b>	0.6797	0.6792
			<b>USD/INR</b>	81.45	81.50
			<b>Commodities</b>		
			<b>Gold</b>	1964	1960
			<b>Brent Crude</b>	83.13	83.01

## 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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