

DAILY FOREX NEWSLETTER

Monday 3rd July 2023

The Kenya's shilling weakened on Friday due to increased foreign-currency demand from manufacturing and oil-retailing companies.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	138.60	142.35			
GBP/KES	176.30	181.10	GBP/USD	1.2740	1.2652
EUR/KES	151.50	155.60	EUR/USD	1.0940	1.0896
INR/KES		1.7425	AUD/USD	0.6691	0.6647
			USD/INR	81.55	81.45
			Commodities		
			Gold	1919	1908
			Brent Crude	75.33	73.60

T-Bills Rates:

Duration	Current	Previous
91 Days	11.904%	11.785%
182 Days	11.947%	11.863%
364 Days	12.157%	11.934%

International Markets

- Asian shares firmed on Monday as demand for tech stocks buoyed Japan's market, while a data-packed week promises to be pivotal to the outlook for the Chinese economy and U.S. interest rates.
- Oil prices were roughly unchanged on Monday as concerns about global macroeconomic headwinds and possible further interest rate hikes from the U.S. Federal Reserve offset forecasts of tighter supplies amid OPEC+ cuts.

USD: Most Asian currencies firmed on Monday as softer-than-expected U.S. inflation readings pushed up hopes that the Federal Reserve will taper its hawkish stance, with focus also turning to more U.S. economic cues this week.

GBP: GBP/USD remains confined in a narrow trading band through the Asian session on Monday. Bets for more Fed rate hikes help revive the USD demand and cap the upside for the major. The BoE's aggressive tightening fuel recession fears and also act as a headwind for the GBP. The GBP/USD pair struggles to gain any meaningful traction on the first day of a new week and oscillates in a narrow trading band, around the 1.2700 mark through the Asian session.

EUR: EUR/USD holds steady above the 1.0900 mark, though struggles to attract any buyers. Bets for more Fed rate hikes revive the USD demand and act as a headwind for the pair. Worries about a global economic downturn contribute to capping gains for the major. The EUR/USD pair struggles to gain any meaningful traction on the first day of the new week and oscillates in a narrow trading band through the Asian session.

INR: USD/INR prints the biggest daily loss on a day, so far, since early June on breaking the key support. India reports the biggest FPI inflow of 2023 in June, up for the fourth consecutive month. Firmer Oil price, mixed sentiment and softer US inflation gauge prod Indian Rupee traders. FOMC Minutes, US NFP will be crucial for clear directions. USD/INR drops to the lowest levels since early May after breaking the short-term key support, backed by upbeat Indian fundamentals, amid Monday morning in Europe.

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