

# DAILY FOREX NEWSLETTER

Wednesday 5th July 2023

The Kenya's shilling was stable on Tuesday during a quiet session, as persistent foreign exchange demand by fuel and merchandise importers eased.

## International Markets

- Asian shares fell on Wednesday after a slowdown in China's services activity dented sentiment and as markets turned their focus to the release of Federal Reserve minutes and a key U.S. jobs report later in the week.
- Oil prices eased on Wednesday, paring the previous day's gain as fears over a global economic slowdown denting fuel demand outweighed expectations of tighter supply due to output cuts announced by top exporters Saudi Arabia and Russia for August

**USD:** Most Asian currencies retreated on Wednesday amid more weak economic indicators, while the dollar firmed as markets awaited more cues on U.S. monetary policy from the minutes of the Federal Reserve's June meeting.

**GBP:** GBP/USD edges lower on Wednesday and is pressured by a modest USD strength. Bets for a 25 bps Fed rate hike in July and economic woes lend support to the buck. Investors now keenly await the FOMC minutes before placing fresh directional bets. The GBP/USD pair extends the previous day's late pullback from a multi-day peak, around the 1.2735-1.2740 area and remains on the defensive through the Asian session on Wednesday.

**EUR:** EUR/USD holds lower ground near intraday bottom, keeps previous day's bearish bias. Looming bear cross, downbeat MACD signals keep Euro seller's hopeful. Five-week-old rising support line, 200-SMA lures EUR/USD bears ahead of Eurozone PPI, FOMC Minutes. EUR/USD stays pressured around the weekly low even as it makes rounds to 1.0880 amid early Wednesday morning in Europe.

**INR:** USD/INR struggles to defend the previous day's recovery from two-month low. Fresh fears of Sino-American trade war, downbeat China Caixin Services PMI weigh on sentiment along with recession woes. Cautious mood underpins USD/INR rebound but softer US data, downbeat Oil price prod Indian Rupee sellers. Fed Minutes should defend Chairman Powell's hawkish statements to keep USD/INR bull's hopeful. USD/INR stays defensive around 82.05 amid early Wednesday morning in Europe, keeping the previous day's U-turn from a two-month low during the sluggish Asian session.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	139.50	142.90			
<b>GBP/KES</b>	177.30	182.10	<b>GBP/USD</b>	1.2742	1.2720
<b>EUR/KES</b>	151.70	155.70	<b>EUR/USD</b>	1.0915	1.0925
<b>INR/KES</b>		1.7465	<b>AUD/USD</b>	0.6725	0.6694
			<b>USD/INR</b>	81.65	81.50
			<b>Commodities</b>		
			<b>Gold</b>	1926	1923
			<b>Brent Crude</b>	75.86	75.00

## T-Bills Rates:

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

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