

DAILY FOREX NEWSLETTER

Thursday 6th July 2023

The Kenya's shilling edged down to a new low on Wednesday as foreign exchange demand from importers continued to weigh on the ailing currency.

International Markets

- Asia-Pacific markets saw sharp losses after minutes from the U.S. Federal Reserve revealed that the central bank was split on its decision to pause its rate hikes in June and sees more hikes ahead at a slower pace.
- Gold prices fell on Wednesday, weighed down by an uptick in the dollar and U.S. Treasury yields after minutes from the Federal Reserve's June policy meeting cemented expectations that rates will stay higher for longer.

USD: Most Asian currencies fell on Thursday, while the dollar held recent gains as the minutes of the Federal Reserve's June meeting showed that policymakers supported more rate hikes this year.

GBP: GBP/USD lacks any firm intraday direction and oscillates in a narrow range on Friday. Bets for more Fed rate hikes, a softer risk tone underpins the USD and caps the pair. Looming recession risks act as a headwind for the GBP and favors bearish traders. The GBP/USD pair struggles to gain any meaningful traction and seesaws between tepid gains/minor losses during the Asian session on Thursday.

EUR: EUR/USD rebounds from intraday/weekly low but struggles to gain upside momentum. 50-DMA break, hawkish Fed Minutes and risk-off mood together weighs on the Euro pair. Softer US data prods sellers ahead of mid-tier Eurozone, United States data. Headlines about China, recession will also be important for fresh impulse. UR/USD picks up bids to consolidate recent losses around the weekly low as it bounces off 1.0842 to 1.0850 amid very early Thursday morning in Europe.

INR: The rupee will hold on to its recent gains against the dollar in coming months and strengthen marginally in a year, on strong macroeconomic trends and expectations the U.S. Federal Reserve is nearing the end of its hiking cycle.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	139.60	143.00			
GBP/KES	177.30	182.10	GBP/USD	1.2752	1.2742
EUR/KES	151.40	155.50	EUR/USD	1.0866	1.0915
INR/KES		1.7465	AUD/USD	0.6696	0.6725
			USD/INR	81.75	81.65
			Commodities		
			Gold	1919	1926
			Brent Crude	76.45	75.86

T-Bills Rates:

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

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