

# DAILY FOREX NEWSLETTER

Friday 7th July 2023

The Kenya's shilling hovered around a fresh low it hit earlier on Thursday as foreign exchange demand from manufacturing industry and oil importers continued to weigh.

## International Markets

- Oil prices were largely unchanged on Friday, but set to post weekly gains, as fears of higher U.S. interest rates that could dampen energy demand were offset by signs of tighter supply after a larger-than-expected fall in U.S. oil stocks.
- Markets in Asia-Pacific marked a second day of declines after Wall Street sold off on stronger-than-expected U.S. jobs data, leaving room for more rate hikes ahead by the Federal Reserve.

**USD:** The dollar eased after a brief rebound on Thursday as data showing the U.S. labor market remains strong increased chances the Federal Reserve will raise interest rates later this month.

**GBP:** GBP/USD takes offers to extend pullback from the highest level in a fortnight. Three-week-old horizontal resistance challenges Cable buyers as US employment report looms. BoE hawks reassess previous optimism amid risk-off mood and weigh on the Pound Sterling price .Key EMAs, ascending support line from late May restrict short-term downside. GBP/USD consolidates the first weekly gains in three while refreshing the intraday low near 1.2730 amid very early Friday morning in London.

**EUR:** EUR/USD remains sidelined after bouncing off three-week low.50-SMA, five-week-old rising trend line restricts immediate moves.200-SMA acts as additional downside filter, oscillators suggest further upside of Euro price. ECB's Lagarde, US NFP needs to challenge previous pattern to convince Euro buyers. EUR/USD treads water around 1.0890 as it portrays the market's cautious mood ahead of the US employment report from June and a speech from European Central Bank (ECB) President Christine Lagarde.

**INR:** The Indian rupee declined on Friday to its lowest level in a month on worries that the U.S Federal Reserve will need to hike rates more than what was previously expected.

## Indicative FX rates as at 8.30am:

| Currency       | Buying | Selling | Currency           | Today  | Previous |
|----------------|--------|---------|--------------------|--------|----------|
| <b>USD/KES</b> | 139.60 | 143.10  |                    |        |          |
| <b>GBP/KES</b> | 178.00 | 182.60  | <b>GBP/USD</b>     | 1.2787 | 1.2752   |
| <b>EUR/KES</b> | 152.10 | 156.20  | <b>EUR/USD</b>     | 1.0945 | 1.0866   |
| <b>INR/KES</b> |        | 1.7465  | <b>AUD/USD</b>     | 0.6681 | 0.6696   |
|                |        |         | <b>USD/INR</b>     | 81.87  | 81.75    |
|                |        |         | <b>Commodities</b> |        |          |
|                |        |         | <b>Gold</b>        | 1913   | 1919     |
|                |        |         | <b>Brent Crude</b> | 76.87  | 76.45    |

## T-Bills Rates:

| Duration | Current | Previous |
|----------|---------|----------|
| 91 Days  | 12.014% | 11.904%  |
| 182 Days | 12.199% | 11.947%  |
| 364 Days | 12.250% | 12.157%  |
|          |         |          |

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