

DAILY FOREX NEWSLETTER

Thursday 17th August 2023

The Kenyan shilling slipped marginally on Wednesday as all major sectors of the economy sought limited supplies of foreign exchange.

International Markets

- Oil prices settled lower on Wednesday despite a large drawdown in U.S. crude stocks as investors weighed worries about China's embattled economy against expectations of tighter supply in the United States.
- Asia-Pacific markets saw a sell-off on Wednesday, mirroring moves on Wall Street after a decline in U.S. banks. Shares of JPMorgan Chase and Wells Fargo dropped 2%, and Bank of America dropped 3%. The action came after Fitch warned it may have to downgrade credit rating dozens of banks, including JPMorgan Chase.

USD: The US Dollar extended its winning streak over the past 24 hours. So far this week, the DXY Dollar Index is up about 0.6 percent, aiming for a 5th consecutive weekly gain. If confirmed, that would be the longest winning streak since early May 2022.

GBP: The GBP/USD pair struggles to gain and remains well-supported above 1.2700 during the early Asian session on Thursday. The odds for a further tightening cycle from the Federal Reserve (Fed) boost the US Dollar Index above 103.50, the highest level since June.

EUR: The EUR/USD pair remains under selling pressure and trades on a negative note for the fifth consecutive day during the Asian session on Thursday. The major pair currently trades around 1.0863, losing 0.14% on the day.

INR: The Indian rupee on Thursday is expected to open just shy of its record low in the wake of a further rise in U.S yields on bets that interest rates are likely to stay higher for longer. Non-deliverable forwards indicate the rupee will open at around 83.20-83.22 to the U.S. dollar compared with 82.95 in the previous session. The rupee's record low is 83.29, reached in October 2022.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	143.60	146.50			
GBP/KES	181.90	186.70	GBP/USD	1.2740	1.2730
EUR/KES	155.40	160.00	EUR/USD	1.0880	1.0940
INR/KES		1.7710	AUD/USD	0.6440	0.6480
			USD/INR	83.00	83.00
			Commodities		
			Gold	1903	1905
			Brent Crude	84.67	86.22

T-Bills Rates:

Duration	Current	Previous
91 Days	13.1104%	12.6855%
182 Days	13.4381%	12.5579%
364 Days	13.3402%	13.1072%

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