

DAILY FOREX NEWSLETTER

Tuesday 2nd August 2023

The Kenyan shilling hit a fresh low on Tuesday in thin trading and was expected to ease further due to increased importer demand for dollars.

International Markets

- Oil prices rose more than 1% on Wednesday, trading near their highest since April, after industry data showed a much steeper-than-expected draw last week in crude oil inventories in the U.S., the world's biggest fuel consumer.
- Asia-Pacific markets fell Wednesday after ratings agency Fitch cut the U.S. credit rating from AAA to AA+, citing "expected fiscal deterioration over the next three years."

USD: The dollar struggled to make headway on Wednesday after a cut on the U.S. government's top credit rating by Fitch raised questions about the country's fiscal outlook, though it drew some support from a relatively resilient run of economic data.

GBP: GBP/USD remains on the defensive for the third successive day, albeit lacks follow-through. The emergence of some USD dip-buying turns out to be a key factor weighing on the major. The downside seems limited as traders seem reluctant ahead of the BoE meeting on Thursday.

EUR: EUR/USD drops below 1.1000 amid cautious market mood ahead of US Employment data. In spite of downgraded ratings by FITCH, the US Dollar Index has rebounded after a corrective move to near 102.00. Outperformance by Eurozone in the April-June quarter on GDP parameter could force the ECB to raise interest rates.

INR: USD/INR clings to mild gains around 82.40 as it prints a three-day winning streak amid early Wednesday morning in Europe. In doing so, the Indian Rupee (INR) pair justifies the risk-off mood in the Asia-Pacific region, as well as the US Dollar's hesitance in pushing back the bullish bias despite the US credit rating downgrade.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	141.40	145.10			
GBP/KES	180.70	185.60	GBP/USD	1.2810	1.2865
EUR/KES	155.40	159.65	EUR/USD	1.1020	1.1040
INR/KES		1.7720	AUD/USD	0.6610	0.6695
			USD/INR	81.90	81.82
			Commodities		
			Gold	1949	1958
			Brent Crude	85.63	85.15

T-Bills Rates:

Duration	Current	Previous
91 Days	12.352%	12.233%
182 Days	12.392%	12.322%
364 Days	12.728%	12.708%

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