

# DAILY FOREX NEWSLETTER

Thursday 24<sup>th</sup> August 2023

## Local Markets:

The Kenyan shilling weakened on Wednesday, hurt by increased importer demand for dollars, especially from the energy sector.

## Top News

- Oil prices dipped 1% on Wednesday as demand woes stemming from a build in U.S. gasoline stocks and weak manufacturing data globally outweighed optimism around a larger-than-expected drop in U.S. crude stocks.
- Asia-Pacific markets rose ahead of central bank rate decisions from South Korea and Indonesia, although both central banks are expected to hold their benchmark policy rates unchanged at 3.5% and 5.75% respectively.

## International Markets

**USD:** Downbeat US manufacturing and services PMI on Wednesday triggered a material slide in the US dollar globally, even as Euro area and UK factory output contracted.

**GBP:** GBP/USD experiences strength due to the possibility of interest rate hikes by the BoE. The pair gets support from the possibility of interest rate hikes in the September meeting by the Bank of England (BoE). Market participants turn cautious ahead of United Kingdom (UK) preliminary S&P Global/CIPS Composite PMIs for August, scheduled to be released later in the day.

**EUR:** Business activity in the Euro Zone contracted sharply in August. US Dollar lost strength as government bond yields retreat from weekly highs as EUR/USD gains bearish traction and aims to extend its slide sub-1.0800.

**INR:** The rupee surged 22 paise from its previous close to a one-month high of 82.42 versus the US dollar on Thursday. On Wednesday, the Indian currency rose 25 paise at close against the greenback to post the biggest single-day gain in two months.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	143.70	147.35			
GBP/KES	182.50	187.60	GBP/USD	1.2760	1.2780
EUR/KES	156.00	160.80	EUR/USD	1.0926	1.0895
INR/KES		1.7715	AUD/USD	0.6532	0.6472
			USD/INR	82.20	82.80
			Commodities		
			Gold	1920	1902
			Brent Crude	83.18	84.10

## T-Bills Rates:

Duration	Current	Previous
91 Days	13.4754%	13.1104%
182 Days	13.2758%	13.4381%
364 Days	13.7459%	13.3402%

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