

DAILY FOREX NEWSLETTER

Thursday 3rd August 2023

The Kenyan shilling was little changed in thin trade on Wednesday, after hitting another record low earlier in the day.

International Markets

- Oil prices rose slightly in early Asian trading on Thursday, as markets weighed bullish U.S. inventory data on Wednesday and a likely extension of OPEC+ output cuts against the fallout of Fitch's downgrade of the U.S. government's top credit.
- Asia-Pacific markets extended their losses on Thursday, tracking Wall Street's sell-off after ratings agency Fitch downgraded the United States' long-term credit rating from AAA to AA+.

USD: Most Asian currencies retreated on Thursday, while the dollar rose after stronger-than-expected payrolls data helped overcome concerns over a U.S. rating downgrade by Fitch.

GBP: GBP/USD bears occupy driver's seat at three-week low despite latest inaction. Indecision between BoE's 0.25% and 0.50% rate hike keeps Cable traders on sidelines of late. Fears of UK recession, bullish bias about US Dollar and firmer yields weighs on Pound Sterling price. US ISM Services PMI, clues for Friday's NFP also eyed for clear directions. GBP/USD languishes near a three-week low marked the previous day, stays defensive near 1.2710 by the press time as it portrays the market's anxiety ahead of multiple US data and the Bank of England (BoE) monetary policy announcements scheduled for release on Thursday.

EUR: EUR/USD remains on the defensive for the fourth straight day and hangs near a multi-week low. Bets for more rate hikes by the Fed continue to underpin the USD and exert pressure on the pair. The fundamental backdrop seems tilted in favor of bears and supports prospects for further losses. The EUR/USD pair edges lower for the fourth successive day on Thursday and languishes near its lowest level since July 7 touched the previous day.

INR: USD/INR seesaws at the highest levels in three weeks after rising the most in a month the previous day. Sustained break of 200-SMA, bullish MACD signals keep Indian Rupee sellers hopeful. Overbought RSI prods USD/INR bulls around multi-day-old resistance line. USD/INR bulls keep the reins for the fourth consecutive day as they prod a 10-week-old resistance around 82.75 during early Thursday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	142.65	145.10			
GBP/KES	181.20	184.50	GBP/USD	1.2745	1.2810
EUR/KES	155.90	158.71	EUR/USD	1.0946	1.1020
INR/KES		1.7710	AUD/USD	0.6555	0.6610
			USD/INR	81.95	81.90
			Commodities		
			Gold	1934	1949
			Brent Crude	83.26	85.63

T-Bills Rates:

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

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