

DAILY FOREX NEWSLETTER

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The Kenyan shilling continued its slide on Friday and was on course for losses against the dollar every day last week. Data shows that persistent foreign currency demand from the energy and manufacturing sectors is one factor behind its long running decline.

International Markets

- Oil prices rose more than a dollar a barrel on Friday to record a sixth consecutive week of gains, after top producers Saudi Arabia and Russia extended supply cuts through September, adding to undersupply concerns.
- The Bank of Japan's surprise decision last week to raise a cap on interest rates was partly driven by policymakers' growing worries ultra-loose monetary settings would spark a repeat of the bruising yen selloff that the economy saw last year.

USD: The dollar fell on Friday, paring almost all the week's gains, after slowing U.S. jobs growth in July encouraged hopes of a soft economic landing but higher wages suggested the Federal Reserve may need to keep interest rates higher for longer.

GBP: GBP/USD registered modest gains on Friday after a soft US jobs data report spurred speculations the US Federal Reserve (Fed) might end its tightening cycle. Nevertheless, failure to crack the 1.2800 figure would likely keep the Sterling (GBP) pressured in the medium term.

EUR: Following weak US data, EUR/USD climbs to a new weekly high above 1.1004. The July US Nonfarm Payrolls report gave mixed signals, with fewer people adding to the workforce while wages increase. Germany reported strong factory orders for June, but soft Retail Sales in the EU came in at -0.3% MoM, dampening rate hike expectations.

INR: USD/INR holds ground near 82.78 after retreating from multi-month highs of 82.90. The Reserve Bank of India (RBI) may intervene to prevent the Rupee from falling further. Market anticipated that the Indian Rupee (INR) is likely to move in a narrow range for the next three months as the Reserve Bank of India (RBI) utilises its enormous foreign exchange reserves to keep the currency steady.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	142.50	145.80			
GBP/KES	181.60	185.95	GBP/USD	1.2760	1.2746
EUR/KES	156.50	160.80	EUR/USD	1.1015	1.0970
INR/KES		1.7710	AUD/USD	0.6610	0.6590
			USD/INR	82.40	82.10
			Commodities		
			Gold	1944	1936
			Brent Crude	85.63	85.29

T-Bills Rates:

Duration	Current	Previous
91 Days	12.6855%	12.352%
182 Days	12.5579%	12.392%
364 Days	13.1072%	12.728%

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