

DAILY FOREX NEWSLETTER

Tuesday 5th September 2023

Local Markets:

The Kenyan shilling was unchanged on Monday although it was expected to weaken due to increased demand from oil retailing companies which was outpacing inflows from the tourism sector.

Top News

- Oil prices steadied near its highest level since November in a thin holiday trading session as traders await production updates from OPEC+
- Asia-Pacific markets fell as Australia's central banks held its benchmark policy rate at 4.1% for the third straight month in a row and investors assessed inflation and business activity readings from across the region.

International Markets

USD: The US Dollar Index (DXY) remains sidelined around 104.10-15 as bulls and bears jostle amid a light calendar in Tuesday's Asian session. Also challenging the DXY traders are mixed concerns about the US Federal Reserve (Fed) and China, as well as the cautious mood ahead of the full markets' reaction to the latest developments, as well as the mid-tier US data and risk catalysts.

GBP: The British Pound (GBP) rebounds at around last Friday's low of 1.2580s against the Greenback (GBP) and recovered the 1.2600 figure on Monday amid thin liquidity conditions in observance of the US Labor Day.

EUR: EUR/USD pair gains a modest 0.19% to trade at 1.0792, as US markets remain closed for Labor Day and ECB President Lagarde's comments fail to stir volatility. Mixed US employment data and a higher manufacturing PMI of 47.6 led to reduced expectations for US interest rate hikes, keeping September odds at 93%.

INR: The Indian rupee is likely to open little changed on Monday after a soft U.S. jobs report reinforced expectations that the Federal Reserve will not hike interest rates anymore, but the dollar still managed to rally.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	144.80	148.70			
GBP/KES	182.50	187.60	GBP/USD	1.2660	1.2650
EUR/KES	156.00	160.60	EUR/USD	1.0840	1.0820
INR/KES		1.7950	AUD/USD	0.6440	0.6520
			USD/INR	82.40	82.30
			Commodities		
			Gold	1937	1944
			Brent Crude	88.86	88.55

T-Bills Rates:

Duration	Current	Previous
91 Days	13.9851%	13.7332%
182 Days	13.9388%	13.4911%
364 Days	13.7650%	14.0140%

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