

GLOBAL MARKETS NEWSLETTER

Thursday 22nd September, 2023

Local Markets:

The Kenyan shilling was little changed on Thursday and was forecast to weaken further due to lower dollar inflows and increased dollar demand.

Top News

Oil prices rose on Friday as concerns that a Russian ban on fuel exports could tighten global supply outweighed fears that further U.S. interest rate hikes could dent demand, but they were still headed for their first weekly loss in four weeks.

Asia-Pacific markets slid as the BoJ left monetary policy unchanged after its last meeting on Friday. The bank kept rates at -0.1% and capped the 10-year Samurai yields around zero.

International Markets

USD: Most Asian currencies moved little on Friday as markets continued to fret over higher U.S. rates, while the JPY came close to 10-month lows after the BoJ maintained ultra-dovish policy. USD remained relatively well-bid in Asian trade, recovering a measure of overnight losses. DXY and DXY futures rose about 0.1% each and remained within sight of a 6-month high hit earlier this week.

GBP: Cable struggles to capitalize on yesterday's modest recovery from 1.2235, and meets fresh supply in Asia. GBP continues underperforming in the wake of the BoE's surprise decision to leave interest rates unchanged. The Fed's hawkish outlook, signaling the possibility of at least one more rate hike by the end of this year, assists USD to hold steady. This, along with a generally softer tone around the equity markets, is seen benefitting the safe-haven dollar and exerting downward pressure on GBP/USD.

EUR: EUR/USD slid further down yesterday, testing new 6-month lows near 1.0617 before closing out near 1.0660. EUR/USD is already decidedly bearish, having closed in the red for the past nine consecutive weeks. This week will only break the near-term trend if markets are able to push EUR higher and hold ground before Friday's closing bell.

INR: INR rose 0.3% after being included in JPMorgan's emerging market bond index, expected to attract more foreign inflows. But sentiment towards India remained skittish amid a growing diplomatic row with Canada, after PM Trudeau accused India of killing a Sikh secessionist leader in Canada.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	146.00	151.40			
GBP/KES	181.00	186.50	GBP/USD	1.2283	1.2344
EUR/KES	155.50	161.80	EUR/USD	1.0652	1.0681
INR/KES		1.8300	AUD/USD	0.6426	0.6452
			USD/INR	82.9270	83.2375
			Commodities		
			Gold	1,944.55	1,951.15
			Brent Crude	93.70	89.66

T-Bills Rates:

Tenor	Current	Previous
91 Days	14.7866%	14.5151%
182 Days	14.9399%	14.4148%
364 Days	15.2214%	14.7282%

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

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