

# GLOBAL MARKETS NEWSLETTER

Tuesday 26<sup>th</sup> September 2023

## Local Markets:

The Kenyan shilling slipped lower on Monday, driven by forex demand from oil marketers and manufacturers.

## Top News

**Oil prices** fell on Tuesday amid concerns that fuel demand will be crimped by major central banks holding interest rates higher for longer, even with supply expected to be tight.

**Asia-Pacific markets:** Fixing the Chinese property sector is an endeavor that could take up to a decade's work, said Grow Investment's chief economist Hao Hong. China's property market has been embattled by faltering consumer confidence in real estate companies as property giants Evergrande and Country Garden remain mired in debt woes.

## International Markets

**USD:** The dollar steadied at its highest levels for the year on growing bets that U.S. rates will rise further this year. DXY and DXY futures rose slightly in Asian trade, as hawkish comments from Minneapolis Fed chief Neel Kashkari further bolstered expectations for higher rates.

**GBP:** GBP/USD remains under selling pressure and trades in negative territory for the fourth week in early Europe. The pair currently trades near 1.2203, losing 0.07% on the day. The BoE decided to maintain the benchmark rate at 5.25%. This, in turn, might weigh on the GBP against the USD.

**EUR:** EUR/USD recovers its intraday losses, trading around 1.0590 in early Asia. The pair faced challenges despite comments from ECB's Christine Lagarde stating rates will remain restrictive for an extended period. Investors will likely monitor the release of key economic data, including Fed Core Personal Consumption Expenditures Price Index, and the Eurozone's Core HICP, scheduled for Friday.

**INR:** The Indian rupee was flat, but was close to record lows, also coming under pressure from a recent spike in oil prices. Broader Asian currencies kept to a tight range amid weak risk appetite, with most regional units trading at multi-month lows to the dollar. The currency had been predicted to open little-changed tracking NDFs despite a spike in the 10-year U.S treasury yield and a stronger dollar.

Source: Reuters.

## Indicative FX rates as at 8.30am:

| Currency       | Buying | Selling | Currency           | Today   | Previous |
|----------------|--------|---------|--------------------|---------|----------|
| <b>USD/KES</b> | 146.40 | 151.70  |                    |         |          |
| <b>GBP/KES</b> | 178.80 | 185.70  | <b>GBP/USD</b>     | 1.2199  | 1.2280   |
| <b>EUR/KES</b> | 155.00 | 161.20  | <b>EUR/USD</b>     | 1.0581  | 1.0688   |
| <b>INR/KES</b> |        | 1.8300  | <b>AUD/USD</b>     | 0.6440  | 0.6440   |
|                |        |         | <b>USD/INR</b>     | 82.61   | 82.6100  |
|                |        |         | <b>Commodities</b> |         |          |
|                |        |         | <b>Gold</b>        | 1932.25 | 1921.49  |
|                |        |         | <b>Brent Crude</b> | 91.41   | 93.69    |

## T-Bills Rates:

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

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