

GLOBAL MARKETS NEWSLETTER

Wednesday 27th September, 2023

Local Markets:

The Kenyan shilling eased against the US Dollar on Tuesday as the market struggled to meet forex demand amid muted inflows.

Today's expected range is 146.70 – 152.00.

Top News

Oil prices rose nearly \$1 on Wednesday as markets focused on supply tightness heading into winter and a "soft landing" for the U.S. economy.

Asia-Pacific markets: Asia-Pacific markets are mixed as investors look toward inflation data from across the region this week. Singapore and Australia are expected to report inflation figures for August this week, while Japan will release inflation data for the Tokyo region.

International Markets

USD: The dollar index hit a 10-month high on Tuesday while the JPY came closer to 150, where Japanese officials are seen as potentially intervening to shore up the currency. Benchmark 10-year U.S. government bond yields have jumped to 16-year highs as economic data remains robust despite higher interest rates. DXY is currently at 105.992.

GBP: GBP/USD continues its losing streak, trading below 1.2150. Upbeat US economic data reinforces pressure on the pair. Traders are heavily reliant on the most recent BoE decision, perceived as dovish. This perception was influenced by an inflation report indicating a cooling down of inflationary pressures. However, the latest UK economic data, notably softer retail sales, and PMIs revives concerns of a potential recession.

EUR: EUR/USD enters bearish consolidation, oscillating narrowly around 1.0555. The ECB downgraded its 2024 and 2025 CPI and GDP growth forecasts, suggesting additional hikes may be off the table for now. Furthermore, speculations about a possible GDP contraction H2 of the year reaffirm bets that the ECB's 14-month-long policy tightening cycle could have peaked, favouring EUR/USD bears.

INR: Most Asian currencies kept to a tight range on Wednesday amid continued fears of higher U.S. interest rates. The Indian rupee was among the worst hit, trading just shy of record lows, as the currency also came under pressure from higher oil prices due to India's large import dependence.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	146.70	152.00			
GBP/KES	178.80	185.70	GBP/USD	1.2145	1.2199
EUR/KES	155.00	161.20	EUR/USD	1.0560	1.0581
INR/KES		1.8300	AUD/USD	0.6380	0.6440
			USD/INR	83.2100	82.6100
			Commodities		
			Gold	1932.25	1932.25
			Brent Crude	91.33	91.41

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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