

# GLOBAL MARKETS NEWSLETTER

Thursday 28<sup>th</sup> September, 2023

## **Local Markets:**

The Kenyan shilling inched lower against the US Dollar on Wednesday on elevated foreign exchange demand across all sectors of the economy.

Today's expected range is 146.85 – 152.90.

## **Top News**

**Oil prices:** U.S. oil jumped nearly \$1 a barrel on Thursday to its highest in more than a year as a steep drop in crude stocks in the United States added to worries of tight global supplies from OPEC+ cuts led by Saudi Arabia.

**Asia-Pacific markets:** Asia-Pacific markets reversed losses to trade mostly higher on Wednesday as investors assessed China's industrial data and Australia's August inflation figures.

## **International Markets**

**USD:** The U.S. dollar held its position near a 10-month high against a basket of major currencies on Thursday. The dollar's strength was buoyed by optimistic U.S. economic data and anticipatory remarks from Fed officials. The Dollar Index, which measures the greenback against other major currencies, hovered around 106.58 after hitting an overnight peak of 106.84, its highest level since November 30.

**GBP:** GBP/USD extends its downside for the seventh consecutive day. The BoE unexpectedly paused its rate hike cycle while the Fed offered hawkish remarks and signaled that an additional rate hike is possible. The divergence of monetary policy between the BoE and Fed exerts pressure on the GBP.

**EUR:** EUR/USD loses momentum around 1.0500 in early Asia. The pair's selling pressure is supported by firmer USD, higher US economic data, and higher Treasury yields. Downbeat Eurozone economic data exerts some selling pressure on the Euro is a headwind for the pair.

**INR:** INR was seen as likely to open near record low levels with the surge in crude oil prices and rising U.S. treasury yields expected to hurting the currency. NDFs indicated Rupee would open close to record lows against USD compared with 83.22 in the previous session. The rupee had hit its lowest level on record - 83.29 - in October 2022.

Source: Reuters.

## **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	146.85	152.90			
<b>GBP/KES</b>	178.50	186.30	<b>GBP/USD</b>	1.2143	1.2145
<b>EUR/KES</b>	154.30	161.20	<b>EUR/USD</b>	1.0502	1.0560
<b>INR/KES</b>		1.8500	<b>AUD/USD</b>	0.6378	0.6380
			<b>USD/INR</b>	83.1600	83.2100
			<b>Commodities</b>		
			<b>Gold</b>	1893.35	1932.25
			<b>Brent Crude</b>	94.82	91.33

## **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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