

GLOBAL MARKETS NEWSLETTER

Friday 29th September, 2023

Local Markets:

The Kenyan shilling fell against the US Dollar on Thursday as fuel importers and the manufacturing sector sought hard currency as inflows dried up.

Today's expected range is 147.00 – 152.90.

Top News

Oil prices were set for a weekly gain of around 2% after regaining ground on Friday as strong holiday demand from China and persistently tight U.S. fundamentals outweighed expectations of possible supply increases from Saudi Arabia.

Asia-Pacific markets largely fell after notching some gains on Wednesday as an uptick in Treasury yields and oil prices dented investor sentiment on Wall Street.

International Markets

USD: Most Asian currencies moved little on Friday, but stemmed some recent losses as USD came off 10-month highs and Treasury yields stalled before key U.S. inflation due later today. A spike in yields also pushed up concerns over a looming recession, given that a sell-off in the bond market usually heralds such an event. Benchmark 10-year yields were at their highest since 2007.

GBP: GBP/USD gains some positive traction for the second successive day and looks to build on yesterday's goodish recovery. Spot prices trade around the 1.2220. Heading into the key data risk, traders might take cues from the release of the final UK **GDP** print, though the immediate market reaction to a positive surprise is more likely to remain limited on the back of the BoE's surprise pause in its rate-hiking cycle earlier this month.

EUR: EUR/USD struggles to capitalize on the yesterday's bounce from just below 1.0500, and oscillates in a narrow band in Asia. Spot prices currently trade around the 1.0560 area. Traders now look to US and Eurozone inflation figures. European consumer price index inflation data is also due today. The euro rose 0.2% against the dollar in Asian trade.

INR: The Indian rupee rose 0.1% after recovering from near record lows in overnight trade. Losses in oil prices also took some pressure off the rupee. An interest rate decision from the Reserve Bank of India, due next week, was in focus, with the expectation of the next resistance to be at USD/INR 83.35. Brent crude oil futures jumped by 0.8% to \$97.32 in Asia trading, rising about 12% in September alone.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.00	152.90			
GBP/KES	179.00	187.50	GBP/USD	1.2225	1.2143
EUR/KES	155.65	162.40	EUR/USD	1.0580	1.0502
INR/KES		1.8500	AUD/USD	0.6463	0.6378
			USD/INR	83.0912	83.1600
			Commodities		
			Gold	1883.35	1893.35
			Brent Crude	93.05	94.82

T-Bills Rates:

Tenor	Current	Previous
91 Days	14.8206%	14.7866%
182 Days	14.9499%	14.9399%
364 Days	15.0544%	15.2214%

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