

GLOBAL MARKETS NEWSLETTER

Monday 02nd October, 2023

Local Markets:

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

Today's expected range is 147.20 – 152.95.

Top News

Oil prices edged up on Monday, recouping some of the losses suffered at the end of last week, as investors focused on a tight global supply outlook while a last-minute deal that avoided a U.S. government shutdown restored risk appetite.

Asia-Pacific markets Asia-Pacific stocks opened mixed after manufacturing data out of China bounced back to expansion territory.

International Markets

USD: The dollar was on track to post big quarterly gains as investors priced in the likelihood of a still solid economy and higher rates for longer. The greenback retraced most earlier losses against a basket of currencies, following data that showed U.S. consumer spending increased in August, but underlying inflation moderated. DXY fell 0.05% to 106.09 on Friday and is tracked to end the quarter up 3.13%.

GBP: Cable remains defensive below 1.2200 trading in negative territory around 1.2180, losing 0.16% on the day. In the absence of economic data releases this week, GBP/USD remains at the mercy of USD price dynamics. US September ISM Manufacturing PMI will be due today, followed by Jerome Powell's speech.

EUR: EUR/USD struggles to gain meaningful traction, oscillating narrowly above mid-1.0500s. Global risk sentiment gets a goodish lift reacting to better-than-expected official Chinese PMIs and the passage of a stopgap US government funding bill. Upbeat market mood keeps a lid on any meaningful upside for the USD, lending support to EUR/USD. Growing acceptance that the next ECB move is likely to be a rate cut is a headwind for the shared currency.

INR: USD/INR holds positive ground around 83.15. The uptick is supported by the stronger USD and the higher-for-longer US rates narrative. Investors await RBI rate decision on Friday. RBI is likely to maintain a status quo on interest rates for the fourth consecutive time. Due to elevated retail inflation and global factors, including high crude oil prices, the benchmark repo rate was raised to 6.5% in February and remained unchanged since then.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.20	152.95			
GBP/KES	179.00	186.90	GBP/USD	1.2189	1.2225
EUR/KES	155.50	162.20	EUR/USD	1.0565	1.0580
INR/KES		1.8500	AUD/USD	0.6410	0.6463
			USD/INR	83.1940	83.0912
			Commodities		
			Gold	1858.95	1883.35
			Brent Crude	92.46	93.05

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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