

# GLOBAL MARKETS NEWSLETTER

Tuesday 03<sup>rd</sup> October, 2023

## Local Markets:

The Kenyan shilling weakened on Monday undermined by demand for dollars from the energy sector coupled with low inflows.

Today's expected range is 147.20 – 152.95.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	147.20	152.95			
<b>GBP/KES</b>	177.80	185.10	<b>GBP/USD</b>	1.2062	1.2189
<b>EUR/KES</b>	154.50	160.60	<b>EUR/USD</b>	1.0462	1.0565
<b>INR/KES</b>		1.8500	<b>AUD/USD</b>	0.6306	0.6410
			<b>USD/INR</b>	83.1980	83.1940
			<b>Commodities</b>		
			<b>Gold</b>	1835.65	1858.95
			<b>Brent Crude</b>	89.65	92.46

## T-Bills Rates:

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

## Top News

**Oil prices** slipped 1% in early Asian trade on Tuesday, after falling to a three-week low in the previous session, on a stronger U.S. dollar, rising U.S. bond yields and mixed supply signals.

**Asia-Pacific market** stocks fell even after manufacturing data out of China bounced back to expansion territory.

## International Markets

**USD:** The US dollar index, which wrapped up its 11<sup>th</sup> straight weekly win last week, has jumped by more than 7% since its July trough, as the world's reserve currency drew strength from the Fed's higher for longer message that pushed Treasury yields to multi-decade highs.

**GBP:** GBP/USD oscillates narrowly below 1.2100, consolidating recent losses in Asia today. Extremely oversold conditions on the daily chart hold back bearish traders from placing fresh bets. In the absence of relevant market-moving economic data, the pair remains at the mercy of USD price dynamics. Traders will take cues from the US JOLTS Job Openings data, US bond yields and the broader risk sentiment, which will influence USD price dynamics and provide some impetus. The focus remains on US NFPs due for release on Friday.

**EUR:** EUR/USD extends its downside to around 1.0465. The fresh YTD low is supported by the stronger USD broadly and the ECB's sign of ending the rate hike cycle. The pair is undermined by signs of the end of high inflation in the Eurozone and weakness in Germany. Markets are not betting that the ECB's next move is likely to be a rate cut. The underlying strong bullish sentiment surrounding the USD also weighs on the pair.

**INR:** The Indian rupee weakened on Tuesday, moving from its Friday close of 83.04 to 83.21 against USD, according to Bloomberg. This shift is largely attributed to the Fed's hawkish outlook that has led to an increase in Treasury yields and a strengthening of the greenback.

Source: Reuters.

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