

GLOBAL MARKETS NEWSLETTER

Thursday 05th October, 2023

Local Markets:

The Kenyan shilling was stable on Wednesday and was expected to weaken during the session due to a general increase in demand from dollars from diverse importers.

Today's expected range is 147.40 – 153.70.

Top News

Oil prices Oil prices inched up on Thursday, clawing back some of the previous session's big losses after an OPEC+ panel maintained oil output cuts to keep supply tight, though an uncertain demand outlook capped gains.

Asia-Pacific markets were broadly weaker Wednesday, with Korean and Japanese stocks posting a more than 2% drop after the U.S. 10-year Treasury yield hit its highest level in 16 years.

International Markets

USD: The dollar fell on Wednesday, tracking the pullback in U.S. Treasury yields, amid mixed data suggesting pockets of weakness in the US economy, further diminishing the odds of another Fed hike before the end of the year. DXY was down 0.3% at 106.69, giving up some recent gains, after weaker-than-expected U.S. private payrolls based on the ADP National Employment Report.

GBP: GBP/USD posts modest gains above mid-1.2100s. In the absence of the top-tier economic data from the UK, the pair remains at the mercy of the USD price dynamics. GBP/USD currently trades near 1.2160, gaining 0.21% on the day.

EUR: EUR/USD continues yesterday's gains, trading higher around 1.0520. The pair encountered challenges amid market caution regarding the rates trajectory of the Fed. Furthermore, yesterday's upbeat Eurozone's HCOB PMI might provide support for the Euro. The report revealed that September's Composite PMI improved from 47.1 to 47.2 and was expected to remain consistent. Traders are likely on the lookout for the upcoming Jobless Claims and NFPs on Friday. Positive figures could spur further USD gains and elevate volatility in the bond market.

INR: The INR will trade tightly over the coming months as the RBI continues to intervene in the market to shield the currency against a strong dollar. Still, the rupee has been trading close to its record low of 83.29 to the dollar as traders bet against Asian currencies. Median forecasts in the Oct. 2-4 poll of 46 strategists showed INR would gain only modestly and trade around USD/INR 83.00 in one and three months, from about 83.24 yesterday.
Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.40	153.70			
GBP/KES	179.04	187.40	GBP/USD	1.2149	1.2078
EUR/KES	154.96	162.30	EUR/USD	1.0515	1.0468
INR/KES		1.8500	AUD/USD	0.6361	0.6311
			USD/INR	83.2375	83.2360
			Commodities		
			Gold	1,841.30	1835.65
			Brent Crude	86.27	89.65

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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