

GLOBAL MARKETS NEWSLETTER

Friday 06th October, 2023

Local Markets:

The Kenyan shilling was little changed on Thursday but was forecast to lose ground due to increased demand for dollars from retail companies and manufacturers.

Today's expected range is 147.50 – 154.20

Top News

Oil prices were on track for their steepest weekly decline since March despite rising on Friday, as a U.S. bond market sell-off sparked concerns of a global economic slowdown and worries about a sharp fall in fuel demand.

Asia-Pacific markets were broadly weaker on 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: Surging U.S. real yields aid the USD rebound, rewarding bullish investors, making bears think twice before betting against the buck. "The dollar isn't just the nicest house in a bad neighborhood right now, it's the only game in town," said Karl Schamotta, chief market strategist at Corpay, Toronto. Dollar positioning in futures markets showed a net long \$3.07 billion for the week ended Sept. 26, according to data from the CFTC. DXY is at 106.242.

GBP: GBP/USD looks to retrace recent gains, trading slightly lower around 1.2180. However, the pair received upward support, which could be attributed to the USD correction following the US Bond yields decline.

EUR: EUR/USD holds positive ground. The weakening of the USD and a decline in the US Treasury Yield lends some support to the pair. However, upside is limited ahead of German Factory Orders release and US employment data today. EUR/USD currently trades around 1.0547, up 0.02% for the day. Economic data on Thursday revealed Germany's trade surplus at €16.6 Bn in August from €17.7Bn in July, higher than the market expectation of €15.0Bn.

INR: INR appreciated by 4 paise to 83.21 against the USD early today on positive cues from the equity market ahead of the RBI's rate decision. Selling pressure from foreign equity investors amid strengthening dollar resulted in a negative bias.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.50	154.20			
GBP/KES	179.47	187.40	GBP/USD	1.2170	1.2149
EUR/KES	155.38	162.30	EUR/USD	1.0534	1.0515
INR/KES		1.8500	AUD/USD	0.6356	0.6361
			USD/INR	83.2325	83.2375
			Commodities		
			Gold	1,834.25	1,841.30
			Brent Crude	84.16	86.27

T-Bills Rates:

Tenor	Current	Previous
91 Days	14.8734%	14.8206%
182 Days	14.9778%	14.9499%
364 Days	15.1867%	15.0544%

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