

GLOBAL MARKETS NEWSLETTER

Wednesday 11th October, 2023

Local Markets:

The Kenyan shilling eased to a fresh low against the Dollar on Monday, according to trade data. The shilling has lost over 17.1% since the start of the year.

Today's expected range is 147.60 – 154.60.

Top News

Oil prices were back in the positive in Wednesday's Asian session, trading a few cents above the lower close of the previous day, as the hunt for leads continued in a market left directionless by oil's all-too-brief rally on the latest Middle East crisis.

Asia-Pacific markets were mixed as investors assessed the market impact of the attack on Israel by Palestinian militant group Hamas.

International Markets

USD: DXY fell by 0.23% on Tuesday, influenced by a stock market rally and Atlanta Fed President Bostic's dovishness on further rate hikes. This drop comes despite some safe-haven demand spurred by Middle East turmoil. Bostic expressed that the current policy rate is adequate to bring inflation down to 2%.

GBP: Cable gains positive traction for the sixth day climbing to a near 3-week high in Asia. Recent dovish remarks by several Fed officials forced investors to scale back bets for more aggressive tightening and continue to drag US bond yields lower. This undermines the USD and is a tailwind for Cable. In fact, Atlanta Fed President Bostic said on Tuesday that the Fed does not need to raise rates any further and that he sees no recession ahead.

EUR: EUR/USD rose by 0.24% on Tuesday, triggered by dollar weakness, hawkish signals from ECB's Holzmann about potential rate hikes following supply shocks, and an unexpected increase in Italy's industrial production. Uptick in German bond yields could limit the pair's advancement, as market participants anticipate the ECB to pause tightening. President Lagarde is optimistic about bringing inflation to 2% and expressed confidence in Europe's gas reserves situation.

INR: The Indian economy shows signs of recovery, buoyed by dovish remarks from the Fed and the possibility of further economic stimulus from China. This optimistic perspective comes despite looming threats of potential crude price hikes due to escalating conflicts in the Middle East. Despite these potential challenges, the IMF has revised its growth projection for India upwards to 6.3% for the fiscal year 2023-24.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.60	154.60			
GBP/KES	180.20	189.00	GBP/USD	1.2291	1.2197
EUR/KES	155.70	163.60	EUR/USD	1.0603	1.0552
INR/KES		1.8550	AUD/USD	0.6419	0.6347
			USD/INR	83.2350	83.2245
			Commodities		
			Gold	1,872.55	1,864.65
			Brent Crude	87.98	87.67

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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