

GLOBAL MARKETS NEWSLETTER

Thursday 12th October, 2023

Local Markets:

The Kenyan shilling slipped to a fresh all-time low on Wednesday driven by broad based forex demand and few inflows.

Top News

Oil prices fell over 2% on Wednesday as fears of disruption to supplies due to conflict in the Middle East receded a day after top OPEC producer Saudi Arabia pledged to help stabilize the market.

Asia-Pacific markets rose on Thursday as markets wagered that U.S. rates have peaked after more dovish remarks from Federal Reserve officials, while traders awaited the U.S. consumer inflation report due later in the day for further monetary policy clues.

International Markets

USD: The US Dollar has been struggling this week against the Euro, Sterling and Swiss Franc but it has fared better against the Yen and commodity-linked currencies. Undermining the outlook for the 'big dollar' has been the notable tilt in the stance of the Federal Reserve. Until this week, the debate had been symmetrically focused on a hike or no hike scenario for the next Federal Open Market Committee (FOMC) meeting.

GBP: GBP/USD rose above 1.2300 for the first time since September 22 on Wednesday but struggled to gather further bullish momentum. The negative shift seen in risk sentiment could limit the pair's upside in the near term but the US Dollar (USD) could have a hard time preserving its strength in case policymakers deliver dovish remarks.

EUR: The EUR/USD pair edges higher during the Asian session on Thursday and currently trades around the 1.0620-1.0625 region, just below a two-and-a-half-week high touched the previous day. The uptick, however, lacks bullish conviction as traders seem uncertain over the Federal Reserve's (Fed) future rate-hike path.

INR: The Indian rupee on Thursday will be boosted by the pullback in oil prices and softer U.S. Treasury yields, while investors wait for the important U.S. inflation data due later in the day. Non-deliverable forwards indicate rupee will open marginally higher than 83.1875 in the previous session

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	147.95	154.70			
GBP/KES	182.53	191.20	GBP/USD	1.2350	1.2291
EUR/KES	157.55	165.10	EUR/USD	1.0680	1.0603
INR/KES		1.8650	AUD/USD	0.6450	0.6419
			USD/INR	82.9500	83.2350
			Commodities		
			Gold	1,879.15	1,872.55
			Brent Crude	85.31	87.98

T-Bills Rates:

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

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Shiv Bhatt/Ryan Akalah, D/L 020-2223409/2213470 or general nos. 2228461/2

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibility or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.