

GLOBAL MARKETS NEWSLETTER

Wednesday 18th October, 2023

Local Markets:

The Kenyan shilling fell against the dollar on Tuesday, as hard currency supplies from the diaspora failed to match demand from oil importers and the manufacturing sector.

Today's expected range is 149.30 – 155.50.

Top News

Oil prices Oil prices surged on Wednesday as tension escalated in the Middle East after hundreds were killed in a blast at a Gaza hospital, sparking concerns about potential oil supply disruptions from the region.

Asia-Pacific markets Australia and China stocks closed higher Tuesday for the first time in three days, while the New Zealand dollar weakened following an inflation reading, the first since the elections over the weekend.

International Markets

USD: The US Dollar has slipped through the Asian session after making some headway overnight on the back of Treasury yields pushing toward multi-year peaks. Treasury yields leapt higher across the curve with the 5- and 7-year bonds seeing the largest gains, adding around 15 basis points each.

GBP: GBP/USD extends losses on the second successive day, trading lower around 1.2160 during the Asian session on Wednesday. The upbeat economic data from the United States (US) exerts pressure on the pair.

EUR: The EUR/USD pair rose on Tuesday, disregarding positive US data and higher Treasury yields. The pair reached a high of 1.0595 before pulling back and trimming its gains. On Tuesday, upbeat US economic data included Retail Sales (up 0.7% in September versus an expected 0.3%) and Industrial Production (0.3% versus 0%). The US Dollar received a brief boost from this data but quickly lost momentum. The EUR/USD dropped to 1.0540 but then reversed its course to the upside.

INR: The Indian rupee is likely to open little changed on Wednesday on expectations of the Reserve Bank of India keeping a check on the currency's slip amid a rise in oil prices and U.S. Treasury yields. Non-deliverable forwards indicate the rupee will open around Tuesday's level of 83.2575. Oil prices jumped in Asia with the Brent crude contract racing past \$92 per barrel following a flare up in the Middle East conflict.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	148.55	155.50			
GBP/KES	181.20	189.70	GBP/USD	1.2156	1.2188
EUR/KES	157.20	164.80	EUR/USD	1.0540	1.0540
INR/KES		1.8700	AUD/USD	0.6339	0.6355
			USD/INR	83.0000	83.2330
			Commodities		
			Gold	1936.59	1930.40
			Brent Crude	91.66	89.51

T-Bills Rates:

Tenor	Current	Previous
91 Days	14.9604%	14.8734%
182 Days	15.0231%	14.9778%
364 Days	15.3368%	15.1867%

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