

GLOBAL MARKETS NEWSLETTER

Monday 23rd October, 2023

Local Markets:

The Kenyan shilling inched lower on Wednesday, as foreign currency inflows from diaspora remittances failed to meet importers' demand.

Today's expected range is 148.90 – 155.50.

Top News

Oil prices slid more than \$1 on Monday as diplomatic efforts grew over the weekend to contain the conflict between Israel and Hamas, although Gaza continued to be bombarded.

Asia-Pacific markets are mostly lower ahead of a week of inflation readings from across the region and South Korea's third-quarter gross domestic product numbers.

International Markets

USD: USD/JPY touched the closely watched 150 on Friday, before falling back again, as investors positioned for the Fed to hold rates higher for longer. Some analysts also note that the number of investors holding dollars has become crowded, which may be holding back further rallies. DXY was last at 106.14, down 0.06% on the day.

GBP: GBP/USD struggles to continue the winning streak, trading around 1.2160 in Asia. However, the pair encountered a hurdle following the release of downbeat UK Retail Sales data for September on Friday. GBP managed to recover its losses against the weaker US. Monthly Retail Sales revealed a 0.9% decline, in contrast to the expected 0.1% decrease, following a modest 0.4% rise in August. Sales contracted by 1.0% y.o.y, defying market predictions of stagnation.

EUR: EUR/USD turns red in early Asia after retracing from 1.0600. Market players await Eurozone and US data ahead of the ECB meeting on Thursday, with no rate change expected. The pair currently trades around 1.0586. The ECB's rate hiking cycle is over, but it won't be until at least July 2024 before it begins easing as the battle against elevated inflation rattles on. Apart from this, the EU considers extending an emergency gas price cap imposed in February, amid concerns that the Middle East crisis and sabotage of a Baltic pipeline could push prices up again this winter.

INR: INR logged its biggest one-day advance in 3 weeks against the dollar on Friday, helped by likely central bank intervention in the spot and NDF markets, which traders described as aggressive. USD/INR ended at 83.1225, compared with 83.2450 in the previous session, to log its best 1-day gain since Sept. 29. For the week, the rupee rose 0.2% and recorded its biggest weekly advance in two months.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	148.90	155.50			
GBP/KES	180.46	188.90	GBP/USD	1.2149	1.2120
EUR/KES	156.77	164.20	EUR/USD	1.0577	1.0529
INR/KES		1.8700	AUD/USD	0.6312	0.6299
			USD/INR	83.1550	83.2625
			Commodities		
			Gold	1986.45	1959.65
			Brent Crude	91.16	91.25

T-Bills Rates:

Tenor	Current	Previous
91 Days	15.0458%	14.9604%
182 Days	15.0763%	15.0231%
364 Days	15.3405%	15.3368%

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

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