

# GLOBAL MARKETS NEWSLETTER

Tuesday 24th October, 2023

## **Local Markets:**

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

Today's expected range is 149.00 – 156.40.

## **Top News**

**Oil prices** rose on Tuesday, recovering some of the previous day's losses, as investors remained nervous that the Israel-Hamas war could escalate into a wider conflict in the oil-exporting region, causing potential supply disruptions.

**Asia-Pacific markets** rebounded and erased earlier losses as investors assess private surveys of business activity from Japan and Australia, as well as the October producer price index from South Korea.

## **International Markets**

**USD:** The dollar softened against a basket of currencies on Tuesday, mirroring a dip in Treasuries yields as investors awaited key U.S. economic data before the Fed monetary policy meeting next week. DXY last sat around 105.47, having lost over 0.5% previously and slipped to its lowest in about a month as U.S. Treasury yields tumbled.

**GBP:** GBP/USD continues the winning streak that began on Thursday, trading higher near 1.2270 in Asia. The pair receives upward support due to the correction in the USD, coupled with improved risk sentiment. UK gears up for the release of Employment and S&P Global PMI data. Economists anticipate a decline in employment levels for the three months leading to August, signaling that companies are scaling back their workforces in response to a gloomy demand outlook.

**EUR:** EUR/USD continues to move upward for the fourth successive day, trading higher around 1.0680 level in Asia. The pair encounters challenges stemming from the decline in the USD, coupled with an improved risk sentiment amid Middle East geopolitical tensions. Market participants await the preliminary Eurozone October PMI. Looking ahead to Thursday, the ECB has its scheduled monetary policy meeting, and there's no anticipation of a change in interest rates.

**INR:** INR trades strongly against the USD amid a decline in US Treasury bond yields on Tuesday. Moreover, the RBI potential aggressive intervention last week lends some support to the INR and acts as a headwind for the USD/INR pair. Nonetheless, the higher crude oil prices and escalating geopolitical tension in the Middle East might contribute to the risk-off mood and cap the upside of the INR.

**Source: Reuters.**

## **Indicative FX rates as at 8.30am:**

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	149.00	156.40			
<b>GBP/KES</b>	182.00	192.70	<b>GBP/USD</b>	1.2273	1.2149
<b>EUR/KES</b>	158.00	167.80	<b>EUR/USD</b>	1.0683	1.0577
<b>INR/KES</b>		1.8700	<b>AUD/USD</b>	0.6361	0.6312
			<b>USD/INR</b>	83.1550	83.1550
			<b>Commodities</b>		
			<b>Gold</b>	1,987.90	1986.45
			<b>Brent Crude</b>	90.19	91.16

## **T-Bills Rates:**

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

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