

GLOBAL MARKETS NEWSLETTER

Friday 03rd November, 2023

Local Markets:

The Kenyan shilling weakened on Thursday due to persistent demand for dollars from manufacturing and fuel retailing companies.

Today's expected range is 149.90 – 157.50.

Top News

Oil prices steadied in Asian trade on Friday after a weakened dollar and easing concerns over the Israel-Hamas war spurred wild swings over the prior sessions, although they were still set to close lower for a second straight week. Crude prices saw some strength this week after the Fed stood pat on interest rates and offered somewhat dovish signals to the market, which in turn weighed on the dollar and triggered a rally in commodity prices. Oil prices surged over 3% on Thursday. Pressure on oil came chiefly from a lack of escalation in the Israel-Hamas war, as other Arab states appeared to show no inclination of joining the conflict directly.

Asia-Pacific markets rose at the end of the week, with investors accessing a fresh round of data for more clues on the health of business activity through the region.

International Markets

USD: Most Asian currencies advanced on Friday, while the dollar eased further as traders bet that the Fed was done with hikes, although anticipation of key NFP data kept gains in check. Broader Asian currencies advanced, while the dollar nursed some losses for the week after the Fed kept rates steady, and offered somewhat dovish signals on more rate hikes. DXY and DXY futures fell slightly in Asian trade, and were down 0.4% for the week.

GBP: GBP/USD ticks lower in Asia, eroding part of yesterday's positive move to the 1.2225 region, or a one-and-half-week high. Spot prices trade just below 1.2200 as traders now look forward to the release of the US NFPs for some meaningful impetus.

EUR: EUR/USD's rally stalled after reaching 1.0667 but remains above key support at 1.0600 in early Asian trading. A fall in US bond yields and USD correction lend some support to the pair. Markets will monitor the Eurozone Unemployment rate and the US employment data, including Nonfarm Payrolls and Average Hourly Earnings.

INR: INR depreciated 4 paise to 83.26 against the USD in the morning session on Friday, tracking a strong US currency overseas and sustained foreign fund outflows. Forex traders said a positive trend in domestic equities supported the local unit at lower levels and restricted the downside. **Source: Reuters.**

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	149.70	157.50			
GBP/KES	183.20	192.90	GBP/USD	1.2202	1.2182
EUR/KES	159.50	168.00	EUR/USD	1.0627	1.0600
INR/KES		1.8950	AUD/USD	0.6431	0.6422
			USD/INR	83.2535	83.2650
			Commodities		
			Gold	1,993.75	1,993.10
			Brent Crude	87.09	85.45

T-Bills Rates:

Tenor	Current	Previous
91 Days	15.1863%	15.1112%
182 Days	15.2714%	15.1289%
364 Days	15.4391%	15.3867%

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