

GLOBAL MARKETS NEWSLETTER

Monday 06th November, 2023

Local Markets:

The Kenyan shilling weakened on Friday undermined by strong dollar demand across economic sectors.

Today's expected range is 150.10 – 157.60.

Top News

Oil prices edged up on Monday as top exporters Saudi Arabia and Russia said they would stick to extra voluntary oil output cuts until the end of the year, keeping supply tight, while investors watched out for tougher U.S. sanctions on Iranian oil. Brent crude futures rose 35 cents to \$84.89/barrel by 0400 GMT while U.S. WTI crude was at \$80.92 a barrel, up 41 cents.

Asia-Pacific markets South Korea stocks surged on Monday after the country re-imposed a ban on short-selling, while most Asia-Pacific markets took heart from a soft U.S. jobs report that helped reduce interest rate expectations.

International Markets

USD: Most Asian currencies strengthened on Monday, while the dollar hovered near 6-week lows as softer-than-expected payrolls data and less hawkish signals from the Fed drove up bets that the bank was done raising interest rates. DXY and DXY futures both rose slightly in Asian trade after sinking to their lowest levels since late-September on Friday. Yields also retreated, as traders priced in a 95.2% chance that the Fed will not hike rates any further this year. There also stands an over 80% chance that the Fed will begin trimming rates by June 2024.

GBP: **GBP/USD** kicks off on a subdued note and consolidates Friday's strong move up its highest level since September 20. Spot prices currently trade around 1.2375, nearly unchanged for the day, and remain at the mercy of USD price dynamics. BoE's bleak economic outlook, saying the economy risks falling into recession next year, might cap gains for the pair. Moreover, investors seem convinced that the bank's next policy move is more likely to be a rate cut.

EUR: EUR/USD oscillates narrowly in Asia, consolidating last week's strong gains to its highest level since September 14 touched on Friday. Markets now look to the release of the final Eurozone Services PMI, which might influence USD price dynamics and produce short-term trading opportunities for the pair.

INR: INR consolidated narrowly and settled 6 paise lower at 83.28 (provisional) against the USD on Friday, as sustained foreign fund outflows weighed on investor sentiments. 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	150.10	157.60			
GBP/KES	185.97	195.60	GBP/USD	1.2377	1.2202
EUR/KES	161.22	169.80	EUR/USD	1.0738	1.0627
INR/KES		1.8950	AUD/USD	0.6511	0.6431
			USD/INR	83.1950	83.2535
			Commodities		
			Gold	1,991.15	1,993.75
			Brent Crude	85.31	87.09

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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