

# GLOBAL MARKETS NEWSLETTER

Tuesday 07th November, 2023

## Local Markets:

The Kenyan shilling edged lower against the US Dollar on Monday, as foreign exchange inflows from tourism and exporters were insufficient to meet demand from fuel importers and the manufacturing sector.

Today's expected range is 150.20 – 157.60.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	150.20	157.60			
<b>GBP/KES</b>	185.97	194.90	<b>GBP/USD</b>	1.2333	1.2377
<b>EUR/KES</b>	161.22	169.30	<b>EUR/USD</b>	1.0709	1.0738
<b>INR/KES</b>		1.8930	<b>AUD/USD</b>	0.6434	0.6511
			<b>USD/INR</b>	83.2630	83.1950
			<b>Commodities</b>		
			<b>Gold</b>	1,979.10	1,991.15
			<b>Brent Crude</b>	84.61	85.31

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.19%	15.11%	
<b>182 Days</b>	15.27%	15.13%	
<b>364 Days</b>	15.44%	15.39%	
<b>KES INFLATION</b>	6.90%	6.80%	14 <sup>th</sup> Nov, 23
<b>KES CBR</b>	10.50%	10.50%	03 <sup>rd</sup> Oct, 23
<b>FED RATE</b>	5.50%	5.50%	13 <sup>th</sup> Dec, 23
<b>ECB RATE</b>	4.50%	4.50%	14 <sup>th</sup> Dec, 23
<b>BOE RATE</b>	5.25%	5.25%	14 <sup>th</sup> Dec, 23
<b>RBI RATE</b>	6.50%	6.50%	13 <sup>th</sup> Dec, 23

## Top News

**Oil** prices eased on Tuesday, giving up most of Monday's gains as mixed economic data from China and winter demand worries offset the impact of Saudi Arabia and Russia extending output cuts. Brent crude futures slipped 47 cents, or 0.55%, to \$84.71 a barrel by 0431 GMT while U.S. WTI crude was at \$80.45 a barrel, down 37 cents.

**Asia-Pacific markets:** South Korean stocks fell 3%, leading losses in the wider Asia-Pacific region as investors parse trade data coming out of China, as well as a rate hike by the Reserve Bank of Australia.

## International Markets

**USD:** Most Asian currencies fell on Tuesday as a warning from Fed officials and signs of more economic headwinds for China dented sentiment, while AUD tumbled after the RBA struck a seemingly dovish tone. USD rebounded from 6-week lows, firming in Asian trade after Minneapolis Fed President Neel Kashkari cautioned against too much enthusiasm over an end to the Fed's rate hike cycle. DXY and DXY futures rose 0.2% each in Asian trade, extending an O/N rebound from 6-week lows.

**GBP:** GBP/USD trades with a negative bias for the second straight day, retreating further from its highest level since mid-September, around 1.2425-1.2430 touched yesterday. Spot was around 1.2335-1.2330 in Asia, down less than 0.10% for the day, though lack follow-through selling. GBP is weighed down by BoE's bleak outlook, saying the UK economy risks falling into recession next year. This prompts some selling and contributes to the mildly offered tone. The downside, however, seems limited as traders await fresh cues about the Fed's future rate hike path before positioning for the next leg of a directional move.

**EUR:** EUR/USD extends its sideways consolidative price move in Asia on Tuesday and trades below its highest level since September 13 touched yesterday. Spot managed to hold above 1.0700 and remains at the mercy of USD price dynamics. Meanwhile, ECB's Lagarde's hawkish remarks over the weekend continue to underpin the shared currency and help limit the downside for the pair.

**INR:** INR depreciated 5 paise to 83.26 against the US dollar, tracking a strong American currency overseas and sustained foreign fund outflows. Forex traders said a negative trend in domestic equities also weighed on the local unit. At the interbank foreign exchange, the rupee opened at 83.23, then touched 83.26 against the USD, registering a decline of 5 paise over its previous close.

Source: Reuters.

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