

GLOBAL MARKETS NEWSLETTER

Wednesday 08th November 2023

Local Markets:

The Kenyan shilling slipped on Tuesday, as broad-based foreign-currency demand outstripped thin inflows.

Today's expected range is 150.30 – 157.80.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	150.20	157.70			
GBP/KES	185.60	194.80	GBP/USD	1.2290	1.2333
EUR/KES	161.50	168.70	EUR/USD	1.0720	1.0709
INR/KES		1.8940	AUD/USD	0.6473	0.6434
			USD/INR	83.1545	83.2630
			Commodities		
			Gold	1,965.79	1,979.10
			Brent Crude	81.41	84.61

Benchmark Rates:

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

Top News

Oil prices stuttered on Wednesday after sliding to their lowest in over three months in the previous session, weighed down by concerns over waning demand in the world's top oil consumers, the United States and China.

Asia-Pacific markets: Treasury yields, and the dollar hovered above multi-week lows on Wednesday as markets grappled with the possibility of another U.S. interest rate hike while waiting on comments from Federal Reserve Chair Jerome Powell for a steer on the policy outlook.

International Markets

USD: The U.S. dollar gained on Tuesday as a sharp selloff last week was seen as overdone in the short term, while the euro was dented by weak German data and the Australian dollar slid after the country's central bank raised interest rates but hinted the hike was the last of the current tightening cycle.

GBP: GBP/USD struggles to gain any meaningful traction and remains confined in a range. A bleak UK economic outlook and bets for a BoE rate cut in 2024 weigh on the GBP. A subdued USD demand acts as a tailwind ahead of BoE's Bailey and Fed's Powell. The GBP/USD pair lacks any firm intraday direction on Wednesday and oscillates in a narrow band below the 1.2300 mark during the Asian session.

EUR: EUR/USD struggles to gain any meaningful traction on Wednesday despite subdued USD price action. The risk-on mood and declining US bond yields cap the recent USD recovery from a multi-week trough. Expectations that the ECB is done raising rates seem to undermine the Euro and keep a lid on the pair. The EUR/USD pair lacks any firm intraday direction on Wednesday and oscillates in a narrow trading band, around the 1.0700 round-figure mark during the Asian session.

INR: The rupee was trading in a narrow range against the US dollar in early trade on Wednesday amid a muted trend in domestic equities and strength of the American currency in the overseas market.

Source: Reuters.

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