

# GLOBAL MARKETS NEWSLETTER

Friday 17th November 2023

## Local Markets:

The Kenyan shilling weakened to a new all-time low on Thursday due to increased demand for dollars from the manufacturing and energy sectors.

Today's expected range is 151.20 – 158.10.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	150.90	158.10			
<b>GBP/KES</b>	188.67	195.86	<b>GBP/USD</b>	1.2404	1.2392
<b>EUR/KES</b>	164.98	171.27	<b>EUR/USD</b>	1.0848	1.0836
<b>INR/KES</b>		1.9000	<b>AUD/USD</b>	0.6464	0.6470
			<b>USD/INR</b>	83.2780	83.2180
			<b>Commodities</b>		
			<b>Gold</b>	1,987.50	1,965.70
			<b>Brent Crude</b>	77.47	80.48

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.3632%	15.2867%	-
<b>182 Days</b>	15.4281%	15.4057%	-
<b>364 Days</b>	15.6385%	15.6151%	-
<b>KES INFLATION</b>	6.90%	6.80%	30 <sup>th</sup> Nov, 23
<b>KES CBR</b>	10.50%	10.50%	
<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 dropped around 5% on Thursday to their lowest in four months, as investors worried about global oil demand following weak data from the U.S. and Asia. Brent futures settled down \$3.76, to \$77.42/barrel. U.S. WTI shed \$3.76, to \$72.90. Both Brent and WTI earlier traded at their lowest since July 7, at \$76.60 and \$72.16.

**Asia-Pacific markets:** Hong Kong stocks led declines in the Asia-Pacific region on Thursday as Xpeng led electric vehicle stocks lower, while investors digested high-level discussions between the United States and China.

## International Markets

**USD:** Most Asian currencies moved little on Friday after strong gains earlier this week, while the dollar headed for a sharp weekly fall as weak labor market data fueled more bets that the Fed will trim interest rates by mid-2024. Dollar weakness put most regional units on course for a strong weekly performance, although a bulk of these gains also came as Asian currencies recovered from multi-month lows.

**GBP:** GBP/USD moves sideways with a negative tone near 1.2410 in Asia. USD receives upward support despite the upbeat jobless claims data from the US and a decline in US yields. UK's October inflation revealed a notable decline in annual CPI, dropping to 4.6% from the previous 6.7%. The monthly rate also eased to 0.0%, falling short of the expected 0.1%. Investors await key economic indicators, focusing on UK Retail Sales and US housing data. These releases are anticipated to provide fresh insights into the economic activities of both countries, shaping market sentiment and potentially influencing trading decisions in the pair.

**EUR:** EUR/USD stalls the overnight modest pullback from 1.0900's, oscillating narrowly in Asia. Markets now look to the release of the final Eurozone CPI print for some impetus ahead of US housing market data due later during the early North American session. Apart from this, traders will take cues from speeches by influential FOMC members, which, along with US bond yields and broader risk sentiment, will drive the USD demand and produce short-term opportunities around the pair.

**INR:** INR loses traction amid mixed sentiment. Economists noted that GDP growth in July-September will be higher than the RBI's 6.5% prediction. Investors will monitor the US Building Permits and Housing Starts on Friday. INR was among the few outliers this week, falling 0.1% on Friday and remaining close to record lows, amid growing concerns that the Indian economy was running out of steam.

**Source: Reuters.**

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