

# GLOBAL MARKETS NEWSLETTER

Thursday 23rd November, 2023

## Local Markets:

The Kenyan shilling struck another record low on Wednesday as foreign currency demand from all sectors outpaced tight supply.

Today's expected range is 151.60 – 158.10.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	151.60	158.10			
GBP/KES	188.90	198.30	GBP/USD	1.2500	1.2529
EUR/KES	164.90	173.00	EUR/USD	1.0900	1.0906
INR/KES		1.9050	AUD/USD	0.6552	0.6547
			USD/INR	83.3300	83.2680
			Commodities		
			Gold	1,996.95	1,999.90
			Brent Crude	80.98	82.42

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.3632%	15.2867%	-
182 Days	15.4281%	15.4057%	-
364 Days	15.6385%	15.6151%	-
KES INFLATION	6.90%	6.80%	30 <sup>th</sup> Nov, 23
KES CBR	10.50%	10.50%	
FED RATE	5.50%	5.50%	13 <sup>th</sup> Dec, 23
ECB RATE	4.50%	4.50%	14 <sup>th</sup> Dec, 23
BOE RATE	5.25%	5.25%	14 <sup>th</sup> Dec, 23
RBI RATE	6.50%	6.50%	13 <sup>th</sup> Dec, 23

## Top News

**Oil** prices fell by more than 1% on Thursday, extending yesterday's losses, after OPEC+ postponed a ministerial meeting, leading to speculation that producers might cut output less than earlier anticipated. Brent futures were down to \$80.92/barrel. U.S. WTI crude dipped to \$76.20.

**Asia-Pacific** markets were mixed after the Fed's Oct. 31 minutes meeting revealed that policy officials maintained that monetary policy had to be restrictive and had little appetite for rate cuts.

## International Markets

**USD:** Most Asian currencies kept to a tight range on Thursday as some signs of resilience in the U.S. labor market pushed up the dollar and brewed uncertainty over the rates' path. Regional trading volumes were low on account of U.S. and Japan market holidays and are expected to remain muted for the remainder of the week. DXY and DXY futures lost about 0.2% each in Asian trade, but sat on two days of gains after weekly jobless claims fell less than expected, indicating some resilience in the labor market.

**GBP:** GBP/USD strives to bounce back after its 3-day winning streak paused yesterday, trading around 1.2500 in Asia. GBP faced challenges yesterday, influenced by the strengthened USD following US economic data releases. Investors seem to perceive persistent inflation in the US, coupled with a decelerating economy. Jeremy Hunt, UK Chancellor of the Exchequer, unveiled the Autumn Statement, outlining plans to reduce debt, cut taxes, and incentivize work and highlighted collaboration with the BoE to achieve the 2.0% inflation target by 2025, projected by the Office for Budget Responsibility.

**EUR:** EUR/USD snaps its 2-day losing streak, surging above 1.0900 in Asia. Traders will closely monitor the Eurozone preliminary PMI and the minutes of the ECB today. Markets remain subdued due to the Thanksgiving Day holiday in the US on Thursday. The pair currently trades around 1.0905, up 0.16% on the day.

**INR:** INR edges lower on Thursday despite oil price declines and softer USD. On Wednesday, RBI Governor Shaktikanta Das said the INR has shown moderate volatility and orderly movements compared to its peers despite elevated US yields and a strong USD. RBI will continue to monitor external financial factors potentially impacting the INR and the nation's balance of payments. Das expressed optimism about India's resilient economy despite a global slowdown and largely due to its reliance on domestic demand. **Source: Reuters.**

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