

GLOBAL MARKETS NEWSLETTER

Wednesday 29th November, 2023

Local Markets:

The Kenyan shilling edged lower on Tuesday in a thinly traded session amid meagre inflows of foreign currency.

Today's expected range is 151.90 – 158.70.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	151.90	158.70			
GBP/KES	193.34	202.20	GBP/USD	1.2711	1.2627
EUR/KES	167.20	175.10	EUR/USD	1.1001	1.0953
INR/KES		1.9050	AUD/USD	0.6648	0.6622
			USD/INR	83.2800	83.3820
			Commodities		
			Gold	2,046.15	2,015.75
			Brent Crude	81.46	79.90

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.4426%	15.3632%	-
182 Days	15.4445%	15.4281%	-
364 Days	15.5828%	15.6385%	-
KES INFLATION	6.92%	6.80%	30 th Nov, 23
KES CBR	10.50%	10.50%	
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 Oil moved narrowly on Wednesday as investors turned cautious ahead of a crucial OPEC+ meeting to decide output policy in the next months, while a supply disruption in the Black Sea provided a floor for prices. Brent crude futures dipped 3 cents to \$81.65/barrel. U.S. WTI crude futures gained 12 cents, or 0.2%, at \$76.53/barrel.

Asia-Pacific stocks fell on Monday as the Chinese market dropped due to a decline in property firms, while Japan's service inflation surged to a 45-month high.

International Markets

USD: Most Asian currencies rose on Wednesday as less hawkish signals from Fed officials ramped up hopes for an early interest rate cut in 2024, which put the dollar near 4-month lows. DXY and DXY futures plummeted following the Fed comments and fell between 0.1% to 0.2% in Asian trade today, their weakest level since early-August.

GBP: GBP/USD scales higher for the fifth day, advancing to a fresh 3-month peak in Asia today. Spot prices currently trade around 1.2715-1.2720, up 0.20% for the day, poised to prolong a near 3-week-old uptrend in the wake of sustained USD selling. There isn't any relevant market-moving macro data from the UK today, while the US economic docket features the prelim or the second estimate of the Q3 GDP growth. This, along with US bond yields, will influence USD price dynamics and provide some impetus to the Cable pair.

EUR: EUR/USD extends its winning streak for the fifth consecutive session, trading around 1.1000 in Asia today. The pair benefits from the softer USD, which is influenced by a less hawkish stance from the Fed. Markets are likely to keep a close eye on economic data related to the ECB today. Spain and Germany are expected to release preliminary November CPIs, both anticipated to report a slowing in annual inflation. Additionally, the European Commission is set to release its Economic Sentiment Indicator, which measures the overall trend of the overall Euro Zone economy.

INR: INR gathers strength on Wednesday on foreign banks' Dollar sales and a weaker USD. India's economy is projected to expand by over 6% this year, bringing its GDP close to \$4 trillion. INR potentially benefits from equities inflows due to MSCI's decision to increase India's weight in its Emerging Market Index effective November 30 and analysts expect equity inflows worth \$1.5 billion this week. Nonetheless, the rebound in crude oil prices might cap INR upside. *Source: Reuters.*

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