

# GLOBAL MARKETS NEWSLETTER

Thursday 30th November, 2023

## Local Markets:

The Kenyan shilling was weaker on Wednesday as demand for dollars from importers and oil marketers weighed on the 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	193.30	202.10	GBP/USD	1.2697	1.2711
EUR/KES	165.90	174.60	EUR/USD	1.0967	1.1001
INR/KES		1.9075	AUD/USD	0.6639	0.6648
			USD/INR	83.3550	83.2800
			Commodities		
			Gold	2,046.15	2,046.15
			Brent Crude	81.46	81.46

## 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 <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** was little changed on Thursday as investors remained cautious ahead of expected production cuts by the OPEC+ and as weaker-than-expected Chinese factory data underscored slowing growth in the world's second largest economy. Brent crude futures fell 15 cents, to \$82.95/barrel, while U.S. WTI crude futures rose 12 cents, to \$77.98/barrel.

**Asia-Pacific** markets traded lower on Wednesday, led by Hong Kong markets, while China's benchmark index closed at its lowest level in over a month as investors assessed earnings and comments from Fed board members.

## International Markets

**USD:** Most Asian currencies kept to a tight range on Thursday tracking weak economic signals from China, while the dollar steadied from recent losses as markets awaited a key inflation reading due later in the day. DXY and DXY futures moved little in Asian trade on Thursday, after recovering slightly from their lowest levels since mid-August. But the greenback was still set to lose 3.6% in November- its worst month in a year.

**GBP:** GBP/USD attracts some buyers below 1.2700 in early Asia. That said, the softer USD offers support to the pair. At press time, GBP/USD trades near 1.2695, up 0.02% on the day. Traders will closely monitor the Core PCE inflation, due later today, and the US weekly Jobless Claims, Chicago PMI, and Pending Home Sales. In the absence of top-tier economic data released from the UK, GBP/USD remains at the mercy of USD price dynamics.

**EUR:** EUR/USD struggles to gain ground above 1.1000 during in early Asian trading today. The weaker-than-expected German and Spain inflation data weighed on the EUR. Investors await the Italian, French, and Eurozone inflation data today for fresh impetus. The pair currently trades near 1.0975, up 0.01% for the day. On Tuesday, Bundesbank chief Joachim Nagel said the ECB may need to raise interest rates again if inflation outlook worsens. Nonetheless, the market prices 95 bps of rate cuts next year, beginning April.

**INR:** INR drifts higher on Thursday as dovish comments from Fed officials undermine USD demand. India's economy grew at 7.8% in Q1 of the current fiscal year and Q2 GDP is scheduled to be released later today, with the economy expected to grow at 6.8% in the July–September quarter compared with a year earlier.

Source: Reuters.

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Shiv Bhatt/Ryan Akalah,  
Direct Lines: +254 111 030 600/626/680/681,

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibility or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.