

# GLOBAL MARKETS NEWSLETTER

Monday 04th December, 2023

## Local Markets:

The Kenyan shilling was unchanged against the dollar on Friday, a quiet day for trading with meagre inflows of foreign currency.

Today's expected range is 152.00 – 158.50.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	152.00	158.50			
<b>GBP/KES</b>	193.10	201.40	<b>GBP/USD</b>	1.2674	1.2644
<b>EUR/KES</b>	165.44	172.80	<b>EUR/USD</b>	1.0868	1.0909
<b>INR/KES</b>		1.9070	<b>AUD/USD</b>	0.6655	0.6610
			<b>USD/INR</b>	83.3270	83.3200
			<b>Commodities</b>		
			<b>Gold</b>	2,106.60	2,041.30
			<b>Brent Crude</b>	78.35	80.72

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.5293%	15.4426%	-
<b>182 Days</b>	15.5504%	15.4445%	-
<b>364 Days</b>	15.7266%	15.5828%	-
<b>KES INFLATION</b>	6.80%	6.92%	30 <sup>th</sup> Dec, 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** futures reversed course after rising briefly on Monday amid persistent pressure from the OPEC+ decision and uncertainty over global fuel demand growth, although the risk of supply disruptions from the Middle East conflict limited the losses. Brent crude futures were down to \$78.39/barrel, while U.S. WTI crude futures were at \$73.65/barrel.

**Asia-Pacific** markets were mixed on Monday, with investors awaiting a slew of key economic data Tuesday and inflation readings later this week. Tokyo inflation will be released Tuesday, widely seen as a leading indicator for nationwide trends. South Korea inflation numbers will also be out the same day.

## International Markets

**USD:** Most Asian currencies steadied after strong gains on Monday, while the dollar nursed recent losses amid growing conviction that the Fed was done raising interest rates and will begin cutting them in early-2024. The dollar index and dollar index futures rose marginally on Monday, but remained within sights of lows last seen in early-August.

**GBP:** GBP/USD holds below 1.2700 in early Asia. However, the pair's downside seems limited as speculation that the Fed is done tightening exerts pressure on the USD and creates a tailwind for the pair. The major currently trades around 1.2680. Markets turned cautious following dovish comments from Jerome Powell on Friday. Traders prefer to wait on the highly anticipated employment report on Friday that could influence the outlook for US interest rates.

**EUR:** EUR/USD snaps its 3-day losing streak in early Asia. The pair's rebound is baked by the weaker USD and lower US bond yields. Later today, markets will keep an eye on the German Trade Balance for October and ECB President Christine Lagarde's speech. These events could give a clear direction to the EUR/USD pair.

**INR:** INR kicks off the week in a positive mood on the weaker USD today. Investor inflows and stronger India's growth prompted economists to raise their growth forecasts for the economy. India's Q2 GDP expanded 7.6% driven by robust manufacturing and government spending. The RBI MPC will hold its next policy meeting on December 6–8. Markets anticipate the RBI to stand pat on rates and maintain a hawkish stance amid upbeat growth and upside risks to near-term inflation on account of food prices.

Source: Reuters.

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