

GLOBAL MARKETS NEWSLETTER

Wednesday 06th December, 2023

Local Markets:

The Kenyan shilling traded unchanged against the dollar on Tuesday.

Today's expected range is 152.20 – 158.60.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	152.20	158.60			
GBP/KES	192.16	200.60	GBP/USD	1.2609	1.2636
EUR/KES	164.38	171.80	EUR/USD	1.0797	1.0840
INR/KES		1.9075	AUD/USD	0.6587	0.6581
			USD/INR	83.3600	83.3810
			Commodities		
			Gold	2,041.20	2,050.60
			Brent Crude	77.15	78.16

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.5293%	15.4426%	-
182 Days	15.5504%	15.4445%	-
364 Days	15.7266%	15.5828%	-
KES INFLATION	6.80%	6.92%	30 th Dec, 23
KES CBR	12.50%	10.50%	16 th Jan, 24
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%	07 th Dec, 23

Top News

Oil prices were mixed in Asian trade on Wednesday, after posting four sessions' worth of losses, as markets weighed the effectiveness of OPEC+ cuts on supplies and worries of a worsening demand outlook in China. Brent crude futures climbed 1 cents to \$77.21/barrel. U.S. WTI crude futures were down 4 cents at \$72.28/barrel.

Asia-Pacific markets fell across the board as investors assessed a slew of economic data from across the region.

International Markets

USD: USD/JPY showcased resilience in Asia today, stabilizing above its 3-month lows in the mid-147's. This steadiness comes as US Treasury yields experience slight increases and the BoJ Deputy Governor Ryozyo Himino remains dovish, emphasizing the continuation of easy monetary policies until Japan's price stability targets are achieved. The dollar's position was bolstered by a modest uptick in US Treasury yields, which often influence the currency's value.

GBP: GBP/USD held mostly flat on Tuesday before a decline below 1.2600 in American trading, slipping to a week's low and shedding a third of a percent on Tuesday. Broader markets see favorable bids for the USD, with the Greenback climbing against most major currencies on Tuesday. BoE will also be dropping their latest Financial Stability Report early today, giving investors an eye into how far hawkish or dovish the BoE is leans.

EUR: EUR/USD remains under selling pressure below 1.0800 in early Asia. Upbeat Eurozone PMI data for November failed to inspire the EUR amid the persistently weak Eurozone demand. At press time, the pair trades around 1.0795. Additionally, major eurozone economies experienced a decline in business activity, with France, Germany, and Italy leading the way. This, in turn, weighs on the EUR and is a tailwind for the EUR/USD. Traders will focus on Eurozone Retail Sales for October. The annual figure is expected to drop 1.1% while the monthly figure is estimated to grow 0.2%.

INR: INR edges lower today on the firmer USD. S&P forecasts India's growth at 7% in the 2026–27 fiscal year. Nevertheless, the critical obstacle lies in determining whether the nation can effectively evolve into the next major global manufacturing hub. The RBI starts its three-day MPC meeting today. Markets anticipate the bank will maintain the status quo on the repo rate, leaving it unchanged at 6.5% due to upbeat GDP growth and easing core inflation. **Source: Reuters.**

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