

GLOBAL MARKETS NEWSLETTER

Thursday 28th December 2023

Local Markets:

The Kenyan shilling fell on Wednesday in thin trade after Christmas holidays.

Today's expected range is 154.00 – 158.80.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	154.00	158.80			
GBP/KES	196.50	203.10	GBP/USD	1.2850	1.2780
EUR/KES	170.40	176.20	EUR/USD	1.1145	1.1093
INR/KES		1.9120	AUD/USD	0.6886	0.6884
			USD/INR	83.1570	83.3100
			Commodities		
			Gold	2,068.79	2,066.33
			Brent Crude	79.69	81.05

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.8831%	15.7706%	-
182 Days	15.9715%	15.9219%	-
364 Days	15.9012%	15.8340%	-
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%	
ECB RATE	4.50%	4.50%	
BOE RATE	5.25%	5.25%	
RBI RATE	6.50%	6.50%	

Top News

Oil Oil prices rose in early Asian trade on Thursday as persistent fears over escalating tensions in the Middle East outweighed easing concerns about transport disruptions as some global shipping firms said they were returning to the Red Sea route.

Asia-Pacific markets Asia-Pacific markets mostly rose on Thursday, with Australia stocks hovering near two-year highs and China markets extending gains to the second straight day, though Japan shares took a breather after rallying the day before.

International Markets

USD: The dollar nursed steep losses on Thursday and was headed for a yearly decline after two years of strong gains as expectations of interest rate cuts from the Federal Reserve next year grip markets.

GBP: GBP/USD attracts some buyers above 1.2800 amid the USD softness. Markets are now pricing in over 88% of a rate cut from the Fed starting in March 2024. The Bank of England (BoE) has insisted on keeping borrowing costs at their 5.25% level for some time. Investors will focus on the US Initial Jobless Claims, Trade Balance, and November Pending Home Sales on Thursday. The GBP/USD pair extends its upside above the 1.2800 mark during the Asian trading hours on Thursday.

EUR: EUR/USD rises toward the major resistance at the 1.1150 level. Technical indicators suggest a bullish momentum to reach the psychological level of 1.1200. The psychological level of 1.1100 could act as key support following the seven-day EMA at 1.1041. EUR/USD maintains its winning streak, with the Euro (EUR) gaining ground against the subdued US Dollar (USD)

INR: The Indian rupee INR=IN strengthened 0.05% versus the U.S. dollar to 83.31, boosted by the further fall on the dollar index to below 101

Source: Reuters.

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/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.