

GLOBAL MARKETS NEWSLETTER

Monday 08th January, 2024

Local Markets:

The Kenyan shilling weakened against the US Dollar on Friday.

Today's expected USD/KES trading range is 156.50 – 159.60.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	156.50	159.40			
GBP/KES	198.76	203.30	GBP/USD	1.2706	1.2670
EUR/KES	171.12	175.10	EUR/USD	1.0940	1.0930
INR/KES		1.9261	AUD/USD	0.6704	0.6741
			USD/INR	83.0700	83.1710
			Commodities		
			Gold	2,037.65	2,050.25
			Brent Crude	77.62	78.03

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.0589%	15.9829%	-
182 Days	16.0915%	15.9667%	-
364 Days	16.2786%	16.1000%	-
KES INFLATION	6.60%	6.80%	30 th Jan, 24
KES CBR	12.50%	10.50%	16 th Jan, 24
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	1 st Feb, 24
BOE RATE	5.25%	5.25%	
RBI RATE	6.50%	6.50%	

Top News

Oil prices fell by more than 1% on Monday on sharp price cuts by top exporter Saudi Arabia and a rise in OPEC output, offsetting worries about escalating geopolitical tension in the Middle East. Brent crude slipped to \$77.90/barrel, while U.S. WTI crude futures shed 1.15%, to \$72.96/barrel.

Asia-Pacific markets reversed early gains on Monday, with Hong Kong stocks leading losses in the region. The Hang Seng index plunged over 2%, dragged by healthcare stocks, while mainland China's CSI 300 was down 1.15% after shadow banking conglomerate Zhongzhi Enterprise Group filed for bankruptcy liquidation late Friday.

International Markets

USD: Most Asian currencies fell on Monday, while the dollar steadied near 3-week highs as stronger-than-expected U.S. payrolls data saw traders scale back bets that the Fed will cut interest rates early. DXY and DXY futures both firmed slightly in Asian trade on Monday and remained within sight of a 3-week high.

GBP: GBP/USD halts its winning streak that began on Wednesday, trading around 1.2710 in Asia. However, GBP received upward support against USD on improved risk appetite after mixed economic data from the US. The recent upbeat economic indicators from the UK likely contributed to the GBP positive performance. UK Consumer Credit data revealed an improvement in individuals' borrowing in November. Furthermore, the S&P Global/CIPS Composite PMI for December exhibited positive signs, with an increase in Services PMI. **EUR:** EUR/USD attracts some buyers in early Asia. The pair bounces off multi-week lows of 1.0876 and hovers around 1.0948. Investors will focus on the November Eurozone Retail Sales today, projected to show -0.3% MoM versus 0.1% in October, while the annual rate is expected at -1.5% from -1.2% in October. Nonetheless, the downbeat German Retail Sales last week point to downside risks here. Market participants will keep an eye on the German Trade Balance and Eurozone Retail Sales for November, due today.

INR: INR kicks off the week on a positive note. Foreign capital inflows and the RBI's intervention have supported the INR from any major depreciation. The government revealed the First Advance Estimates of India's GDP on Friday. The report suggested that India's GDP will expand by 7.3% in 2023/24, slightly faster than the 7.2% growth in 2022/23.

Source: Reuters.

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