

GLOBAL MARKETS NEWSLETTER

Monday 15th January, 2024

Local Markets:

The Kenyan shilling weakened further against the US Dollar on Friday.

Today's expected USD/KES trading range is 158.00 – 161.30.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	158.00	161.30			
GBP/KES	201.40	206.20	GBP/USD	1.2754	1.2689
EUR/KES	173.12	177.40	EUR/USD	1.0964	1.0928
INR/KES		1.9508	AUD/USD	0.6685	0.6694
			USD/INR	82.8500	83.1320
			Commodities		
			Gold	2,060.65	2,030.55
			Brent Crude	78.45	77.87

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.1452%	16.0589%	-
182 Days	16.1874%	16.0915%	-
364 Days	16.3917%	16.2786%	-
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 edged up on Monday as traders watched for supply disruption risks in the Middle East following U.S. and UK strikes forces to stop Houthi militia in Yemen from attacking ships. Brent crude futures were up to \$78.42/barrel after settling 1.1% higher on Friday. U.S. WTI crude was at \$72.73/barrel, following a near 1% gain in the previous session.

Asia-Pacific markets: Taiwan's president-elect Lai Ching-Te will face a split parliament that will likely moderate his agenda. The presidential contest on Saturday was a three-way race among candidates from the ruling Democratic Progressive Party, — which China describes as a “serious threat,” the main opposition party and pro-Beijing Kuomintang, and the smaller Taiwan People's Party.

International Markets

USD: Most Asian currencies moved little, while the dollar ticked lower on Monday as focus turned to a string of upcoming economic readings and Fed comments for cues on when the bank could begin trimming interest rates.

GBP: GBP/USD trends water near 1.2760 in early Europe, recovering intraday losses as the USD loses ground on the weaker US bond yields, coupled with the softer US PPI data. Heightened Middle East tension has balanced the risk-on sentiment, particularly following military attacks on Iran-led Houthi targets, conducted by the US and the UK on Friday. This has influenced both the USD's strength and the overall sentiment in the GBP/USD pair.

EUR: EUR/USD posts modest gains in early Asia. The softer USD and risk-on environment lend some support to the pair. Due to the lack of top-tier US economic data from the US due to the Martin Luther King Jr. holiday, risk sentiment is anticipated to remain the primary driver of the major pair price movement. EUR/USD currently trades near 1.0953, up 0.03% on the day.

INR: INR kicks off the new week on a positive note on Monday amid USD weakness. The Ministry of Statistics and Programme Implementation revealed on Friday that India's retail inflation hit a 4-month high of 5.69% in December from 5.55% in November, weaker than the market expectation of 5.87%. While headline retail inflation rose again in December and now spent 51 consecutive months above the RBI's medium-term target of 4%, it continues to remain close to the RBI's tolerance range of 2–6%. The India Wholesale Price Index Inflation report will be in the spotlight today.

Source: Reuters.

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