

GLOBAL MARKETS NEWSLETTER

Wednesday October 2nd, 2024

Local Markets:

The Kenya's shilling was unchanged against the dollar on Tuesday and was expected to gain ground during the session, helped by inflows from the agriculture sector.

Today's expected USD/KES trading range is 127.50/129.80

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|---------|----------|
| USD/KES | 128.10 | 129.80 | | | |
| GBP/KES | 169.10 | 172.20 | GBP/USD | 1.3340 | 1.3425 |
| EUR/KES | 141.10 | 143.60 | EUR/USD | 1.1094 | 1.1180 |
| INR/KES | | 1.5585 | USD/INR | 83.6520 | 83.5030 |
| | | | AUD/USD | 0.6940 | 0.6962 |
| | | | Commodities | | |
| | | | Gold | 2654.71 | 2642.00 |
| | | | Brent Crude | 74.65 | 71.77 |

Benchmark Rates:

| Tenor | Current | Previous | Next meeting |
|----------------------|----------|----------|---------------|
| 91 Days | 15.7183% | 15.7463% | - |
| 182 Days | 16.5888% | 16.6157% | - |
| 364 Days | 16.7999% | 16.8130% | - |
| KES INFLATION | 4.40% | 4.30% | 30th Sept. 24 |
| KES CBR | 13.00% | 13.00% | |
| FED RATE | 5.50% | 5.50% | |
| ECB RATE | 3.75% | 4.00% | |
| BOE RATE | 5.25% | 5.25% | |
| RBI RATE | 6.50% | 6.50% | |

Top News

Oil: Oil prices rose on Wednesday on fears conflict in the Middle East could turn into a wider war and disrupt oil supply from the key producing region after Iran fired ballistic missiles at Israel.

Asia-Pacific markets: Hong Kong's Hang Seng index was trading more than 6% higher Wednesday after returning from a public holiday on Tuesday, signaling further optimism about Beijing's stimulus policies.

International Markets

USD: The dollar held its sharpest gain in a week on Wednesday after an Iranian missile attack on Israel drove buying of safe assets as investors fretted about the widening of conflict in the Middle East.

GBP: GBP/USD faces challenges due to rising risk-aversion sentiment amid escalating Middle East conflict. Iran launched over 200 ballistic missiles at Israel and warned that any counterstrike would lead to "vast destruction." BoE's Greene indicated that additional interest rate cuts are likely since prices are "moving in the right direction." GBP/USD remains tepid following the losses registered in the previous session, trading around 1.3280 during the Asian hours on Wednesday.

EUR: EUR/USD trades firmer near 1.1070 in Wednesday's Asian session. The US ISM Manufacturing PMI came in weaker than expected in September. The Eurozone inflation dropped below the ECB target in September. The EUR/USD pair trades with mild gains around 1.1070 during the Asian trading hours on Wednesday.

INR: India's currency, debt and equity markets will be closed on Wednesday, Oct. 2, for a local holiday. Trading will resume on Thursday, Oct. 3. The rupee was nearly flat versus the U.S. dollar at 83.82 as exporters' dollar sales overshadowed the decline in Asian currencies, which were pressured by a stronger dollar amid tempered hopes of another hefty U.S. rate cut.

Source: Reuters.

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