

# GLOBAL MARKETS NEWSLETTER

Friday November 29<sup>th</sup>, 2024

## Local Markets:

The Kenyan shilling weakened slightly on Thursday, with traders attributing the depreciation to rising demand for the dollar from manufacturers and oil retailing companies.

Today's expected USD/KES trading range is 128.80/130.30

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	128.80	130.30			
<b>GBP/KES</b>	163.75	166.10	<b>GBP/USD</b>	1.2742	1.2698
<b>EUR/KES</b>	136.15	138.30	<b>EUR/USD</b>	1.0603	1.0585
<b>INR/KES</b>		1.5480	<b>USD/INR</b>	84.17	84.14
			<b>AUD/USD</b>	0.6538	0.6512
			<b>Commodities</b>		
			<b>Gold</b>	2662.07	2632.55
			<b>Brent Crude</b>	73.30	72.70

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	11.2500%	12.0340%	-
<b>182 Days</b>	11.3377%	12.2095%	-
<b>364 Days</b>	12.4903%	13.2949%	-
<b>KES INFLATION</b>	2.700%	3.600%	30 <sup>th</sup> Nov. 24
<b>KES CBR</b>	12.00%	13.00%	
<b>FED RATE</b>	4.50%	4.75%	
<b>ECB RATE</b>	3.25%	4.00%	
<b>BOE RATE</b>	4.75%	5.00%	
<b>RBI RATE</b>	6.50%	6.50%	

## Top News

**Oil:** Oil prices were mixed on Friday following a potential renewal of supply risk as Israel and Hezbollah traded accusations of ceasefire violations, and as a delay to an OPEC+ meeting left investors awaiting a decision on its output policy.

**Asia-Pacific markets:** Asia-Pacific markets mostly lost ground on Friday, led by losses in South Korean stocks after industrial production declined for a second straight month in October.

## International Markets

**USD:** The US Dollar Index (DXY), which measures the value of the USD against a basket of currencies, remains bullish, supported by robust economic data and a hawkish Federal Reserve (Fed) stance. Despite recent profit-taking and geopolitical uncertainty, the uptrend is intact.

**GBP:** The GBP/USD pair gains some follow-through positive traction during the Asian session on Friday and touches a two-week top, around the 1.2715 region in the last hour. Spot prices have now rallied over 200 pips from the weekly trough and look to build on the recent recovery from sub-1.2500 levels, or the lowest since May 2024 touched last Friday amid subdued US Dollar (USD) demand.

**EUR:** The EUR/USD pair regains positive traction following the previous day's modest downtick and climbs back closer to the weekly top during the Asian session on Friday. Spot prices, however, remain below the 1.0600 mark, which if cleared decisively should set the stage for an extension of the recent recovery from a two-year low touched last Friday.

**INR:** The Indian Rupee (INR) extends its decline near its all-time low on Friday. The rise in US Treasury bond yields, the month-end US Dollar (USD) demand and Foreign Portfolio Investors (FPIs) selling domestic equities exert some selling pressure on the local currency. Despite these challenges, the Reserve Bank of India (RBI) is likely to routinely intervene in the foreign exchange (forex) market by selling USD to prevent the INR from depreciating amidst global volatility.

Source: Reuters.

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