



GLOBAL MARKETS NEWSLETTER

Friday January 3rd, 2024

Local Markets:

The Kenyan shilling was stable against the dollar on Thursday, data from the London Stock Exchange Group showed.

Today's expected USD/KES trading range is 128.40/129.90

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	128.40	129.90			
GBP/KES	160.90	163.20	GBP/USD	1.2425	1.2561
EUR/KES	133.05	135.20	EUR/USD	1.0302	1.0391
INR/KES		1.5218	USD/INR	85.36	85.36
			AUD/USD	0.6240	0.6238
			Commodities		
			Gold	2659.20	2634.68
			Brent Crude	76.06	74.82

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	9.8252%	9.8946%	-
182 Days	10.0259%	10.0216%	-
364 Days	11.3711%	11.4095%	-
KES INFLATION	3.000%	2.720%	-
KES CBR	11.25%	12.00%	-
FED RATE	4.25%	4.50%	-
ECB RATE	3.00%	3.25%	-
BOE RATE	4.75%	5.00%	-
RBI RATE	6.50%	6.50%	-

Top News

Oil: Oil prices extended their gains on Friday after closing at their highest in more than two months in the previous session on hopes governments across the world may increase policy support to revive economic growth that would lift fuel demand.

Asia-Pacific markets: China stocks extended declines on Friday in a bumpy start to the new year, despite gains in the broader Asia-Pacific region, as investors assessed Beijing's policy signals.

International Markets

USD: The dollar was on track for its best weekly performance in over a month on Friday, underpinned by expectations of fewer Federal Reserve rate cuts this year and the view that the U.S. economy will continue to outperform the rest of its peers globally.

GBP: The British pound continued its historical trend of starting the year on a weak note, marking a seventh consecutive year of losses on the first trading day after New Year's Day. Deutsche Bank analysts noted that the pound fell over one percent today, contributing to a long-term pattern where sterling has only posted three positive returns on the first trading day of the past twenty years.

EUR: EUR/USD took another leg lower to kick off the 2025 trading season, falling eight-tenths of one percent and tapping the 1.0250 level for the first time since November of 2022, a nearly 26-month low.

INR: The Indian Rupee (INR) extends the decline on Friday after closing at its weakest level on record for the eighth consecutive session. The local currency remains under pressure as the heavy US Dollar (USD) demand in the non-deliverable forward (NDF) market has widened the arbitrage with the Indian onshore market. Additionally, the discouraging growth rate in India, a wider trade deficit, and a slowdown in capital inflows contribute to the INR's downside.

Source: Reuters.

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