

# GLOBAL MARKETS NEWSLETTER

Wednesday January 8<sup>th</sup>, 2024

## Local Markets:

The Kenyan shilling was slightly firmer on Tuesday but was expected to weaken due to increased demand for dollars from manufacturing and oil retailing companies.

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
<b>USD/KES</b>	128.40	129.90			
<b>GBP/KES</b>	160.30	162.60	<b>GBP/USD</b>	1.2516	1.2566
<b>EUR/KES</b>	132.95	135.10	<b>EUR/USD</b>	1.0384	1.0429
<b>INR/KES</b>		1.5196	<b>USD/INR</b>	85.48	85.38
			<b>AUD/USD</b>	0.6253	0.6286
			<b>Commodities</b>		
			<b>Gold</b>	2649.86	2644.90
			<b>Brent Crude</b>	77.42	76.30

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	9.8946%	9.9546%	-
<b>182 Days</b>	10.0216%	10.0216%	-
<b>364 Days</b>	11.4095%	11.5372%	-
<b>KES INFLATION</b>	3.000%	2.720%	-
<b>KES CBR</b>	11.25%	12.00%	-
<b>FED RATE</b>	4.25%	4.50%	-
<b>ECB RATE</b>	3.00%	3.25%	-
<b>BOE RATE</b>	4.75%	5.00%	-
<b>RBI RATE</b>	6.50%	6.50%	-

## Top News

**Oil:** Oil prices rose on Wednesday as supplies from Russia and OPEC members tightened, while data showing an unexpected increase in US jobs openings pointed to expanding economic activity and consequent growth in oil demand.

**Asia-Pacific markets:** Most Asian currencies drifted lower on Wednesday as growing bets on a slower pace of U.S. interest rate cuts supported the dollar, while the Japanese yen steadied as government officials warned of potential intervention.

## International Markets

**USD:** The dollar strengthens as U.S. economic data showing a generally stable jobs market and a still robust services sector suggested that the Federal Reserve will likely slow the pace of its current rate-cutting cycle.

**GBP:** The GBP/USD pair maintains its position after registering losses in the previous session, hovering around 1.2480 during Wednesday's Asian hours. Technical analysis on the daily chart points to a weakening bearish trend, as the pair is trading above the upper boundary of a descending channel pattern.

**EUR:** The EUR/USD pair gains ground to near 1.0350 during the early European session on Wednesday. However, the potential upside of the major pair might be limited amid the prospects for slower interest rate cuts by the Federal Reserve (Fed) in 2025. The Federal Open Market Committee (FOMC) Minutes will be closely monitored later in the day.

**INR:** The Indian Rupee (INR) edges lower on Wednesday after posting its biggest one-day gain in over a month in the previous session. The heavy US Dollar (USD) sales by foreign banks help ease the INR's pressure. However, the local currency remains fragile amid the persistent outflows and higher crude oil prices. Additionally, geopolitical tensions and downside risks to India's growth projections might drag the INR lower against the USD.

Source: Reuters.

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