

GLOBAL MARKETS NEWSLETTER

Monday 13th May 2024

Local Markets:

The Kenya's shilling inched higher against the dollar on Thursday, as the supply of dollars from agricultural exporters and interbank flows was matched by muted demand in the fuel and manufacturing sectors.

Today's expected USD/KES trading range is 129.00 – 132.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	129.00	132.00			
GBP/KES	161.10	165.60	GBP/USD	1.2561	1.2520
EUR/KES	138.40	142.50	EUR/USD	1.0796	1.0767
INR/KES		1.5950	AUD/USD	0.6640	0.6579
			USD/INR	83.3250	83.2750
			Commodities		
			Gold	2352.95	2,318.79
			Brent Crude	82.46	83.94

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9036%	15.8232%	-
182 Days	16.5014%	16.4600%	-
364 Days	16.5067%	16.4924%	-
KES INFLATION	5.7%	5.0%	30 th May 24
KES CBR	13.00%	13.00%	
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	
BOE RATE	5.25%	5.25%	

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon, Direct Lines: +254 111 030 600/626/680/681,

Top News

Oil: Oil prices fell by nearly \$1 a barrel on Friday as comments from U.S. central bank officials indicated higher-for-longer interest rates, which could hinder demand from the world's largest crude consumers.

Asia-Pacific markets: Asia-Pacific markets were mixed Monday as investors assessed China's stronger-than-expected April inflation data.

International Markets

USD: Most Asian currencies moved in a flat-to-low range on Monday, while the dollar steadied from recent swings as focus turned squarely to upcoming U.S. inflation data for more cues on interest rates. Middling Chinese inflation data weighed on the yuan, while also sparking mild weakness in other China-exposed currencies.

GBP: GBP/USD inches higher possibly driven by improved risk appetite on Monday. BoE's Chief Economist Huw Pill indicated a growing belief that rate cuts might be on the horizon. The US Dollar struggled as the US Consumer Sentiment Index dropped to 67.4 in May, marking a six-month low. GBP/USD edges higher to near 1.2520 during the Asian session on Monday, possibly due to improved risk appetite. The Pound Sterling (GBP) was bolstered by releasing higher-than-expected UK Gross Domestic Product (GDP) figures on Friday.

EUR: EUR/USD weakens to 1.0770 in Monday's early Asian session. The high-for-longer US rate narrative and, the Fed's hawkish comments lift the Greenback. The ECB policymakers noted last month that they will likely be in a position to cut interest rates in June. The EUR/USD pair trades on a softer note around 1.0770 during the early Asian trading hours on Monday. Investors turn to cautious mode and prefer to wait on the sidelines ahead of the US key economic data this week.

INR: The Indian rupee weakened 0.02% versus the U.S. dollar, and quoted at 83.52 per dollar, pressed by the decline in the Chinese yuan and the possibility that election uncertainties may spur more portfolio outflows.

Source: Reuters.

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