

GLOBAL MARKETS NEWSLETTER

Thursday 16th May 2024

Local Markets:

The Kenyan shilling was unchanged on Wednesday, but it was expected to firm in the coming days due to dollar inflows from tea and coffee exports, remittances and non-governmental organizations.

Today's expected USD/KES trading range is 129.50 – 131.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	129.50	131.50			
GBP/KES	164.10	167.20	GBP/USD	1.2710	1.2620
EUR/KES	140.50	143.50	EUR/USD	1.0898	1.0846
INR/KES		1.5880	AUD/USD	0.6697	0.6687
			USD/INR	83.2750	83.2814
			Commodities		
			Gold	2392.24	2,357.08
			Brent Crude	83.19	82.86

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 extended gains from the previous session on Thursday on signs of stronger demand in the U.S. where data showed slower inflation than markets expected, bolstering the argument for an interest rate cut which could drive even greater consumption

Asia-Pacific markets: Asian stock markets rallied on Thursday, buoyed by Wall Street's surge to all-time peaks overnight after a milder U.S. inflation report raised expectations the Federal Reserve will deliver at least two rate cuts this year.

International Markets

USD: Most Asian currencies rose on Thursday after some softer U.S. consumer inflation readings pulled the dollar to a one-month low and saw traders increase bets on a September interest rate cut.

GBP: GBP/USD gains momentum around 1.2688 amid the weaker USD on Thursday. The US CPI inflation eased to 3.4% YoY in April from 3.5% in March, as estimated. Steady UK wage growth raised fears of persistent inflationary pressures. The GBP/USD pair extends its upside near 1.2688 on Thursday during the early Asian session. The uptick of the major pair is supported by the weaker Greenback after the release of softer US CPI inflation data.

EUR: EUR/USD climbs on broad-market Greenback selloff. US CPI inflation eases further, sparking Fed rate cut hopes. Bets for September rate cut firm up. EUR/USD climbed on Wednesday in one of the pair's single-best days of 2024, climbing towards 1.0900 and on pace to etch in a fourth consecutive gain week. Broad-market selling pressure deflated the US Dollar (USD) after risk appetite roared to the forefront after US Consumer Price Index (CPI) inflation eased more than investors expected

INR: The Indian rupee rose slightly on Thursday, aided by a drop in U.S. bond yields and a weaker dollar after soft U.S. inflation data boosted hopes that the Federal Reserve may begin easing policy rates from September.

Source: Reuters.