

GLOBAL MARKETS NEWSLETTER

Monday May 20th, 2024

Local Markets:

The Kenya's shilling was stable on Friday, although it was expected to weaken during the session due to increased demand for dollars from the manufacturing and energy sectors.

Today's expected USD/KES trading range is 130.00 – 132.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.00	132.50			
GBP/KES	165.50	168.50	GBP/USD	1.2730	1.2692
EUR/KES	141.50	144.50	EUR/USD	1.0902	1.0890
INR/KES		1.5980	AUD/USD	0.6738	0.6688
			USD/INR	83.1630	83.2800
			Commodities		
			Gold	2438.33	2,381.36
			Brent Crude	84.07	83.56

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9370%	15.9039%	-
182 Days	16.5176%	16.5014%	-
364 Days	16.5295%	16.5067%	-
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: Brent crude futures extended gains on Monday, inching up amid political uncertainty in major producing countries after Iran's president died in a helicopter crash and the Saudi crown prince cancelled a Japan trip, citing health issues with the king.

Asia-Pacific markets: Asia-Pacific markets mostly rose Monday, tracking Wall Street gains, as investors await economic data from across the region this week.

International Markets

USD: Most Asian currencies weakened slightly on Monday, while the dollar steadied as traders awaited more cues on interest rates from the Federal Reserve this week.

GBP: GBP/USD extends gains as softer US inflation raises expectations for Fed rate cuts in 2024. The US Dollar faces a challenge as US Treasury yields inch lower. The Pound Sterling may face a challenge as the BoE is expected to deliver 60 basis points rate cuts in 2024. The GBP/USD pair extends its gains for the second consecutive session, trading around 1.2710 during the Asian hours on Monday. A weaker US Dollar (USD) supports the GBP/USD pair.

EUR: EUR/USD holds positive ground near 1.0875 in Monday's early Asian session. Many Fed officials emphasized their cautious stance to hold rates higher for longer. ECB's Schnabel said they should move cautiously on rate cuts because there is a risk of easing prematurely. The EUR/USD pair trades on a stronger note around 1.0875 on Monday during the early Asian trading hours. The uptick in the major pair is bolstered by the softer Greenback.

INR: India's currency, debt and equity markets will be closed on Monday, May 20, for a holiday. Trading will resume on Tuesday, May 21. The blue-chip NSE Nifty 50 rose 0.16% to 22,502 points and the S&P BSE Sensex added 0.12% to end at 74,005.94 on Saturday, in a special trading session to test the exchanges' preparedness during emergencies.

Source: Reuters.

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibility or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.