

GLOBAL MARKETS NEWSLETTER

Tuesday May 21st, 2024

Local Markets:

The Kenya's shilling edged lower on Monday, as commercial banks bought dollars to cover their short positions, while fuel importers and manufacturers also sought hard currency.

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	168.70	GBP/USD	1.2742	1.2730
EUR/KES	141.50	144.20	EUR/USD	1.0895	1.0902
INR/KES		1.5980	AUD/USD	0.6690	0.6738
			USD/INR	83.2200	83.1630
			Commodities		
			Gold	2413.63	2,438.33
			Brent Crude	83.22	84.07

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%	

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Top News

Oil: Oil prices fell in early Asia trade on Tuesday, with investors anticipating lingering U.S. inflation and higher interest rates to depress consumer and industrial demand.

Asia-Pacific markets: Asian stocks drifted lower while the dollar held firm on Tuesday as investors awaited minutes of the Federal Reserve's latest policy meeting to gauge the timing and extent of possible interest rate cuts this year.

International Markets

USD: Most Asian currencies weakened on Tuesday, while the dollar firmed slightly as traders awaited more cues on U.S. interest rates from the Federal Reserve. Weakness in the Japanese yen persisted, with the currency moving back towards levels that had last attracted currency market intervention by the government.

GBP: GBP/USD holds positive ground around 1.2710 in Tuesday's early Asian session. Fed officials remain cautious about the timing of rate cuts, emphasizing the need to hold rates higher for longer. The UK CPI inflation is expected to ease to 2.1% YoY in April from 3.2% prior. The GBP/USD pair extends the rally near 1.2710 on Tuesday during the early Asian session. Investors await fresh catalysts, with different Federal Reserve (Fed) speakers set to speak later in the day.

EUR: EUR/USD drifts down as Greenback bids mix with ECB cut expectations. Fed speak talks down Fed cut hopes, but stubborn markets continue to hope. ECB geared for a summer rate cut, but mismatched talking points muddy the waters. EUR/USD eased back from 1.0880 on Monday as talking points from Federal Reserve (Fed) officials weighed on otherwise quiet market flows.

INR: The Indian rupee inched up to its highest level in nearly a month in early trading on Tuesday, but traders expect equity-related outflows and importer dollar demand to hurdle further gains in the local unit.

Source: Reuters.

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