

# GLOBAL MARKETS NEWSLETTER

Thursday May 23<sup>rd</sup>, 2024

## Local Markets:

The Kenyan shilling weakened slightly against the dollar on Wednesday.

Today's expected USD/KES trading range is 131.50 – 134.00.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	131.00	134.00			
GBP/KES	165.00	170.65	GBP/USD	1.2756	1.2743
EUR/KES	142.00	145.30	EUR/USD	1.0847	1.0875
INR/KES		1.6150	AUD/USD	0.6646	0.6691
			USD/INR	83.1690	83.1350
			Commodities		
			Gold	2371.41	2,413.88
			Brent Crude	82.24	83.22

## 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 <sup>th</sup> 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%	

## Top News

**Oil:** Oil prices eased for a fourth straight day on Thursday on worries that U.S. borrowing costs could be hiked again if inflation surged, a move that could hurt oil demand.

**Asia-Pacific markets:** Several key Asian share benchmarks fell on Thursday as markets digested the implications of policymakers in major economies preferring to take patient approach to monetary easing amid sticky inflation.

## International Markets

**USD:** Most Asian currencies kept to a tight range on Thursday and were nursing overnight losses as the minutes of the Federal Reserve's recent meeting boosted the dollar amid growing concerns over higher-for-longer interest rates.

**GBP:** GBP/USD trades on a stronger note around 1.2720 in Thursday's early Asian session. The FOMC Minutes showed the participants worried over the lack of progress on inflation towards its 2% target. The UK CPI rose by 2.3% YoY in April, compared to 3.2% in March, above the consensus of 2.1%. The GBP/USD pair extends the rally near 1.2720 during the early Asian section on Thursday. The uptick of the major pair is bolstered by the hotter-than-expected UK CPI inflation data, which slashed June rate cut bets from the Bank of England.

**EUR:** EUR/USD declined on post-FOMC Greenback bid. Odds of a September rate cut is getting a second look from investors. EU & US PMIS in the barrel for Thursday. EUR/USD knocked lower on Wednesday after the Federal Reserve's (Fed) latest Meeting Minutes revealed the Federal Open Market Committee (FOMC) are grimly determined to wait for more proof inflation will ease to 2%, sending risk appetite lower as rate-cut-hungry investors keep hoping for dovish signs from the US central bank.

**INR:** Indian Rupee trades softer on Thursday. Foreign outflows in India and the Fed's hawkish remarks exert some selling pressure on the INR. Investors will closely monitor the preliminary May PMI data from India and the US, which is due on Thursday. Indian Rupee (INR) struggles to gain ground on Thursday. The hawkish stance from the FOMC Minutes and the Federal Reserve (Fed) policymakers boosts the Greenback and creates a tailwind for the pair.

Source: Reuters.

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