

# GLOBAL MARKETS NEWSLETTER

Friday May 24<sup>th</sup>, 2024

## Local Markets:

The Kenya's shilling was stable against the dollar on Thursday as the Central Bank sold small quantities of dollars to keep the local unit rangebound amid some mild hard currency demand from manufacturer.

Today's expected USD/KES trading range is 132.00 – 134.50.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	132.00	134.50			
GBP/KES	167.20	170.80	GBP/USD	1.2730	1.2756
EUR/KES	142.30	145.60	EUR/USD	1.0850	1.0847
INR/KES		1.6250	AUD/USD	0.6645	0.6646
			USD/INR	83.1100	83.1690
			Commodities		
			Gold	2334.13	2,371.41
			Brent Crude	81.34	83.24

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9453%	15.9370%	-
182 Days	16.5638%	16.5176%	-
364 Days	16.6231%	16.5295%	-
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 were stable on Friday as investors considered the latest comments from the U.S. Federal Reserve on interest rates amid sticky inflation, while signs of firming seasonal U.S. fuel demand lent support.

**Asia-Pacific markets:** Asian stocks fell on Friday, while the dollar advanced as strong U.S. economic data bolstered the prospect of interest rates staying higher for longer and the Federal Reserve taking its time in cutting rates, keeping investors away from risky assets.

## International Markets

**USD:** Most Asian currencies fell on Friday and were nursing steep losses against the dollar as hawkish signals on inflation and interest rates saw traders further price out expectations for rate cuts in 2024.

**GBP:** GBP/USD weakens to 1.2695 on the firmer USD on Friday. The US PMI accelerated to the highest level in just over two years in May. The UK inflation data dashed hopes of BoE rate cuts in June. The GBP/USD pair loses its recovery momentum near 1.2695 during the early Asian session on Friday. The major pair edges lower after retracing from the recent top around 1.2760 amid renewed US Dollar (USD) demand. Later, Friday, the UK Retail Sales, US Durable Goods Orders, and Michigan Consumer Sentiment Index will be due.

**EUR:** EUR/USD eases lower as risk-off flows bolster the Greenback. A spike in US Services PMIs reignite fears of sticky inflation. Fed rate cut hopes hinging in easing services inflation stumble. EUR/USD headed lower on Thursday, driven closer to the 1.0800 handle after an unexpected upswing in US Services Purchasing Managers Index (PMI) figures sparked renewed fears of fewer Federal Reserve (Fed) rate cuts

**INR:** The Indian rupee strengthened 0.13% versus the U.S. dollar, and quoted at 83.18, lifted by likely dollar inflows.

Source: Reuters.

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