

# GLOBAL MARKETS NEWSLETTER

Monday May 27<sup>th</sup>, 2024

## Local Markets:

The Kenya's shilling was steady against the dollar on Friday, with the market showing muted hard currency demand and supply.

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
<b>USD/KES</b>	132.00	134.50			
<b>GBP/KES</b>	167.20	170.80	<b>GBP/USD</b>	1.2783	1.2730
<b>EUR/KES</b>	142.30	145.60	<b>EUR/USD</b>	1.0870	1.0850
<b>INR/KES</b>		1.6250	<b>AUD/USD</b>	0.6656	0.6645
			<b>USD/INR</b>	82.80	83.1100
			<b>Commodities</b>		
			<b>Gold</b>	2343.01	2,334.13
			<b>Brent Crude</b>	82.34	81.34

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.9453%	15.9370%	-
<b>182 Days</b>	16.5638%	16.5176%	-
<b>364 Days</b>	16.6231%	16.5295%	-
<b>KES INFLATION</b>	5.7%	5.0%	30 <sup>th</sup> May 24
<b>KES CBR</b>	13.00%	13.00%	
<b>FED RATE</b>	5.50%	5.50%	
<b>ECB RATE</b>	4.50%	4.50%	
<b>BOE RATE</b>	5.25%	5.25%	

## Top News

**Oil:** Oil prices were in a holding pattern in early Asian trading on Monday as markets awaited an OPEC+ meeting on June 2 where producers are expected to discuss maintaining voluntary output cuts for the rest of the year.

**Asia-Pacific markets:** Asian shares edged higher on Monday as investors braced for a busy week of data which culminates in a key U.S. inflation report that could set the stage for a cut in interest rates there, albeit not for a few months yet.

## International Markets

**USD:** Most Asian currencies tread water on Monday, while the dollar steadied in thin trade as markets awaited more cues on U.S. interest rates from key inflation data due later in the week.

**GBP:** GBP/USD extends gains due to risk-on sentiment after UoM's 5-year Consumer Inflation Expectations. CME Fed Watch Tool suggests the likelihood of the Fed's rate cut in September has decreased to 44.9% from 49.0% a week earlier. UK's softer inflation has tempered expectations of BoE's rate cut in June. GBP/USD advances for the second successive session, trading around 1.2740, near two-month highs, during the Asian hours on Monday. The appreciation in the GBP/USD could be attributed to the risk-on sentiment, despite diminishing expectations for Federal Reserve interest rate cuts.

**EUR:** EUR/USD trades with mild gains near 1.0850 in Monday's early Asian session. The stronger US data and the Fed's hawkish stance might lift the USD and cap the pair's upside. ECB's Cipollone said the time is right for June rate cuts as the recent data moved in the right direction. The EUR/USD pair trades in positive territory for the second consecutive day around 1.0850 in Monday's early Asian session. The stronger-than-expected preliminary Eurozone Purchasing Managers Index (PMI) for May provides some support to the Euro (EUR). However, the chance that the European Central Bank (ECB) will cut interest rates in the upcoming months might cap the upside of the major pair.

**INR:** The Indian rupee strengthened 0.03% versus the U.S. dollar, and quoted at 83.07 per dollar, aided by mild gains in its Asian peers.

Source: Reuters.

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