

GLOBAL MARKETS NEWSLETTER

Thursday 2nd May 2024

Local Markets:

The Kenya's shilling was steady on Tuesday, with dollar inflows from non-governmental organizations matching demand from the manufacturing sector.

Today's expected USD/KES trading range is 133.50 – 137.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	133.50	137.50			
GBP/KES	167.00	172.70	GBP/USD	1.2566	1.2581
EUR/KES	142.70	147.80	EUR/USD	1.0749	1.0745
INR/KES		1.6580	AUD/USD	0.6567	0.6561
			USD/INR	83.2645	83.345
			Commodities		
			Gold	2315.70	2,325.84
			Brent Crude	83.95	88.32

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.8232%	15.8029%	-
182 Days	16.4600%	16.4667%	-
364 Days	16.4924%	16.5077%	-
KES INFLATION	5.7%	5.0%	30 th April 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 rose on Thursday on the prospect the U.S. may start buying crude for its petroleum reserve, after prices sank to a seven-week low on hopes for an Israel-Gaza ceasefire, doubts about U.S. interest rate cuts and swelling oil inventories.

Asia-Pacific markets: Asia-Pacific stock markets were mostly higher on Thursday, after the U.S. Federal Reserve opted to hold interest rates steady at the end of its two-day meeting

International Markets

USD: Most Asian currencies kept to a tight range on Thursday, taking little advantage of a drop in the dollar as the Federal Reserve said interest rates were unlikely to fall in the near-term, although they were also unlikely to rise.

GBP: GBP/USD trades on a stronger note around 1.2535 amid the weaker USD on Thursday. The Fed maintained rates unchanged in a 5.25%–5.50% range, as widely expected. Financial markets expect the Bank of England (BoE) to cut borrowing costs in the June or August meetings. The GBP/USD pair gains traction near 1.2535 on Thursday during the early Asian session. The uptick of the major pair is supported by the sharp decline of the US Dollar (USD) after the US Federal Reserve (Fed) left its interest rate unchanged.

EUR: EUR/USD appreciates on improved risk appetite after dovish remarks from Fed Chair Jerome Powell. Fed Chair Powell said that it would take longer than previously anticipated to bring inflation down to the 2% target. The Euro may struggle as the recent Eurozone inflation data have bolstered expectations for a potential rate cut by the ECB in June. EUR/USD continues to gain ground on Thursday as the prevailing positive sentiment in the market provides support for risk-sensitive currencies like the Euro.

INR: The Indian rupee was flat versus the U.S. dollar, and quoted at 83.44 per dollar, wedged between an uptick in Asian peers and dollar demand from local importers.

Source: Reuters.

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