

GLOBAL MARKETS NEWSLETTER

Tuesday 7th May 2024

Local Markets:

The Kenya's shilling gained slightly against the dollar on Monday, buoyed by a dip in hard currency demand from the fuel and manufacturing sectors.

Today's expected USD/KES trading range is 133.00 – 136.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	133.00	136.50			
GBP/KES	166.50	171.60	GBP/USD	1.2569	1.2589
EUR/KES	143.10	147.20	EUR/USD	1.0799	1.0796
INR/KES		1.6460	AUD/USD	0.6642	0.6646
			USD/INR	83.3245	83.2560
			Commodities		
			Gold	2322.34	2,311.86
			Brent Crude	83.47	83.26

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 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 edged higher on Tuesday after Israel struck Rafah in Gaza, while negotiations for a ceasefire with Hamas continued without resolution.

Asia-Pacific markets: Asian shares made 15-month highs on Tuesday on renewed confidence of U.S. interest rate cuts, while traders waited on a policy meeting in Australia later in the day and had a close eye on a falling yen.

International Markets

USD: Most Asian currencies weakened on Tuesday, while the dollar steadied as focus remained on just when the Federal Reserve will begin cutting interest rates.

GBP: GBP/USD holds positive ground around 1.2560 on the softer USD on Tuesday. Slower US job growth has triggered speculation that the Fed will cut the interest rate this year. The BoE is expected to hold rates at 5.25% for the fifth time in a row on Thursday. The GBP/USD pair trades in positive territory for the fifth consecutive day near 1.2560 during the Asian session on Tuesday. The weaker US Dollar (USD) provides some support to the major pair. The Bank of England (BoE) interest rate decision on Thursday will be in the spotlight, with no change in rate expected.

EUR: EUR/USD halts its winning streak due to the uptick in the US Dollar. ECB Chief Economist Philip Lane said that recent consumer prices have bolstered his confidence in inflation returning to the 2% goal. Richmond Fed President Thomas Barkin said that elevated interest rates will further assist in alleviating inflation pressures. EUR/USD snaps its four-day winning streak, trading around 1.0760 during the Asian hours on Tuesday. However, the Euro found support from higher-than-expected Eurozone Purchasing Managers Index (PMI) data released on Monday.

INR: The Indian rupee was little changed on Tuesday as traders remained shy of pushing the local currency to weaker levels on expectations that the Reserve Bank of India (RBI) would intervene to prevent a sharp fall.

Source: Reuters.

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