

GLOBAL MARKETS NEWSLETTER

Wednesday 8th May 2024

Local Markets:

The Kenya's shilling gained against the dollar on Tuesday, supported by inflows of hard currency from remittances and agricultural exporters.

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	131.50	134.00			
GBP/KES	164.00	167.00	GBP/USD	1.2530	1.2569
EUR/KES	141.000	143.60	EUR/USD	1.0781	1.0799
INR/KES		1.6185	AUD/USD	0.6620	0.6642
			USD/INR	83.2845	83.3245
			Commodities		
			Gold	2319.42	2,322.34
			Brent Crude	82.70	83.47

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%	

Top News

Oil: Oil prices fell in early Asian trading hours on Wednesday after market sources said that data from the American Petroleum Institute showed an increase in U.S. crude and fuel stockpiles, an indicator of weak demand.

Asia-Pacific markets: Asia-Pacific markets were largely down on Wednesday as investors parsed through earnings from the region and awaited results of Japanese giants Toyota and Mitsubishi later in the day

International Markets

USD: Most Asian currencies weakened on Wednesday, while the dollar firmed as comments from Federal Reserve officials saw markets rethink expectations for U.S. interest rate cuts.

GBP: GBP/USD weakens to 1.2500 amid a firmer USD on Wednesday. Fed's Kashkari said it's too early to declare that inflation has stalled out, and they might cut rates this year if inflation eases. The BoE is expected to leave the interest rate unchanged at 5.25% at its May meeting on Thursday. The GBP/USD pair trades on a softer note around 1.2500 on Wednesday during the early Asian session. The USD Index (DXY) recovers modestly to 105.40, which drags the major pair lower.

EUR: EUR/USD continues to lose ground due to the hawkish sentiment of the Fed prolonging elevated policy rates. Fed's Kashkari said that the most likely scenario is for interest rates to stay unchanged for an extended period. Eurozone Retail Sales marked the most significant increase in March since September 2022, indicating strength in the consumer sector. EUR/USD extends its losses for the second successive session, trading around 1.0750 during the Asian session on Wednesday. The US Dollar (USD) gains ground due to the expectations of the Federal Reserve's (Fed) prolonging higher interest rates.

INR: The Indian rupee is expected to open little changed and hold a narrow range on Wednesday amid dollar strength and a central bank that is likely to intervene. On-deliverable forwards indicate the rupee INR=IN will open barely changed from its close of 83.5075 in the previous session. The rupee spend a large part of Tuesday's session near 83.50 on likely dollar selling by the Reserve Bank of India.

Source: Reuters.

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