

GLOBAL MARKETS NEWSLETTER

Monday June 10th, 2024

Local Markets:

The Kenya's shilling gained ground against the dollar on Friday, as hard-currency demand waned, and foreign investors bought the local unit to purchase short-term government debt.

Today's expected USD/KES trading range is 128.00 – 130.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	128.00	130.00			
GBP/KES	162.50	165.70	GBP/USD	1.2755	1.2845
EUR/KES	137.50	139.95	EUR/USD	1.0787	1.0935
INR/KES		1.5680	AUD/USD	0.6615	0.6694
			USD/INR	83.28	83.14
			Commodities		
			Gold	2295.91	2,383.67
			Brent Crude	79.83	80.07

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9654%	15.9545%	-
182 Days	16.6405%	16.6076%	-
364 Days	16.7311%	16.7061%	-
KES INFLATION	5.1%	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 nudged lower for a second straight session on Monday, weighed down by a firmer dollar as expectations of interest rate cuts were pushed out further following strong U.S. jobs data on Friday.

Asia-Pacific markets: Asian stocks sank on Monday as traders heavily pared back on bets for Federal Reserve rate cuts this year given a still-tight U.S. labour market, while a snap election call in France sparked wider political concerns and weighed on the euro.

International Markets

USD: Most Asian currencies retreated on Monday as the dollar rebounded after a blowout nonfarm payrolls report saw fears of high for longer interest rates creep back into markets. The dollar also benefited from a drop in the euro, which hit a one-month low amid political uncertainty after the results of the European Union elections showed a broad swing towards right-wing parties.

GBP: GBP/USD trades with mild gains near 1.2725 despite the firmer US Dollar on Monday. The US economy created more jobs than expected in May, which dampened the expectation of Fed rate cuts in September. The stronger US employment report pared back Fed rate cut expectation, weighing on the Greenback. The GBP/USD pair recovers some lost ground around 1.2725 during the early Asian trading hours on Monday. The upside of GBP/USD might be limited amid the lower bets of the US Federal Reserve (Fed) rate cuts this year after the stronger-than-expected US Nonfarm Payrolls (NFP) data.

EUR: EUR/USD drops to a multi-week low and is pressured by a combination of factors. The upbeat US NFP tempers Fed rate cut bets and continues to underpin the USD. Increasing political uncertainty weighs on the Euro and contributes to the decline. The EUR/USD pair remains under some selling pressure for the second straight day and drops to over a three-week low during the Asian session on Monday.

INR: Indian Rupee trades flat on Monday amid the stronger US Dollar. The lower bets on the Fed rate cuts and Indian foreign outflows might underpin the pair. The Indian and US Consumer Price Index (CPI) for May will be due on Wednesday. Indian Rupee (INR) holds steady on Monday despite the rebound of Greenback. The positive outlook of India's resilient economy and financial stability could provide some support to the INR.

Source: Reuters.

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