

# GLOBAL MARKETS NEWSLETTER

Monday June 3<sup>rd</sup>, 2024

## Local Markets:

The Kenya's shilling gained ground on Friday, helped by low demand from importers and companies selling dollars to pay salaries.

Today's expected USD/KES trading range is 129.50 – 132.00.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	129.50	132.00			
GBP/KES	164.40	168.50	GBP/USD	1.2761	1.2741
EUR/KES	140.20	143.60	EUR/USD	1.0875	1.0842
INR/KES		1.5985	AUD/USD	0.6668	0.6653
			USD/INR	82.85	83.05
			Commodities		
			Gold	2322.70	2,342.70
			Brent Crude	81.05	81.77

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9545%	15.9453%	-
182 Days	16.6076%	16.5638%	-
364 Days	16.7061%	16.6231%	-
KES INFLATION	5.1%	5.0%	30 <sup>th</sup> 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 fell early on Monday, despite a move by producer group OPEC+ to extend deep output cuts well into 2025. Brent futures for August delivery were down 24 cents, or 0.3%, to \$80.87 a barrel at 0030 GMT.

**Asia-Pacific markets:** Asia-Pacific stock markets rose Monday after a private survey showed China's manufacturing activity expanded at its fastest pace in nearly two years.

## International Markets

**USD:** Most Asian currencies steadied on Monday, recouping some recent losses against the dollar after in-line inflation data pushed up expectations for interest rate cuts and sparked steep declines in the greenback.

**GBP:** GBP/USD draws support from a softer USD and bets for a delayed BoE rate cut. The UK political uncertainty keeps a lid on any meaningful upside for the GBP. Traders now look forward to the release of the US ISM PMI for a fresh impetus. The GBP/USD pair kicks off the new week on a subdued note and oscillates in a narrow band, around mid-1.2700s during the Asian session. The downside, meanwhile, remains cushioned in the wake of a modest US Dollar (USD) weakness, weighed down by signs of easing inflationary pressures in the United States (US)

**EUR:** EUR/USD gains traction near 1.0850 in Monday's early Asian session. Markets believe the Fed needs more evidence to gain confidence that inflation is on course to its 2% target. The European Central Bank (ECB) is widely expected to cut the rate on Thursday. The EUR/USD pair extends the upside around 1.0850 on Monday during the early Asian session. The cooler US PCE inflation data and the better-than-expected Eurozone HICP inflation data provide some support for the major pair.

**INR:** Indian stocks, bonds and the rupee jumped on Monday after exit polls showed Prime Minister Narendra Modi's Bharatiya Janata Party is set for a strong victory in the general elections.

Source: Reuters.

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