

# GLOBAL MARKETS NEWSLETTER

Thursday June 6<sup>th</sup>, 2024

## Local Markets:

The Kenya shilling was stable on Wednesday

Today's expected USD/KES trading range is 129.50 – 131.50.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	129.50	131.50			
GBP/KES	165.10	168.60	GBP/USD	1.2795	1.2835
EUR/KES	140.50	143.50	EUR/USD	1.0900	1.0932
INR/KES		1.5945	AUD/USD	0.6686	0.6699
			USD/INR	83.10	82.90
			Commodities		
			Gold	2339.73	2,348.08
			Brent Crude	77.48	74.22

## 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%	

## Top News

**Oil:** Gold firmed on Thursday as the dollar and Treasury yields retreated on rising bets that U.S interest rate cuts may start as early as September, while investors awaited the U.S. non-farm payrolls data.

**Asia-Pacific markets:** Asia-Pacific stocks rose Thursday as investors expect the European Central Bank to cut rates, with softer U.S. labor market data fueling hopes that the Fed might follow suit, further boosting market sentiment

## International Markets

**USD:** Most Asian currencies firmed on Thursday, tracking weakness in the dollar as soft labor data continued to trickle in, ramping up bets that the Federal Reserve will begin cutting rates in the coming months.

**GBP:** GBP/USD holds positive ground around 1.2790 amid the firmer USD on Thursday. The ISM said on Wednesday that its US Services PMI rebounded to 53.8% in May from 49.4% in April. The UK S&P Global Services PMI reached a six-month low of 52.9 from 55.0 in April. The GBP/USD pair resumes upside near 1.2790 despite the rebound of US Dollar (USD). Traders started to price in two interest rate cuts by the Federal Reserve (Fed) this year as the US economy grew at a slower pace in the first quarter than projected earlier. Later on, Thursday, the US weekly Initial Jobless Claims and Balance of Trade will be published.

**EUR:** EUR/USD snaps the two-day losing streak near 1.0875 in Thursday's early Asian session. The ECB is expected to cut interest rates for the first time in five years on Thursday. The US ISM Services PMI rose to 53.8 in May from 49.4 in April, above the consensus. The EUR/USD pair gains ground around 1.0875 despite the recovery of the US Dollar (USD) during the early Asian session on Thursday. The European Central Bank (ECB) interest rate decision and Press Conference by President Christine Lagarde will take centre stage later on Thursday.

**INR:** Indian Rupee rebounds on the softer US Dollar on Thursday. The renewed USD sales and potential FX intervention from the RBI support the INR. Any development surrounding the changes to India's structural reforms might weigh on the INR. The US weekly Initial Jobless Claims and Balance of Trade are due later on Thursday. Indian Rupee (INR) recovers on Thursday amid the weaker US Dollar (USD). On Wednesday, the INR closed stronger on the back of USD sales from foreign banks and likely intervention from the Reserve Bank of India (RBI)

Source: Reuters.

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