

# GLOBAL MARKETS NEWSLETTER

Friday June 7<sup>th</sup>, 2024

## Local Markets:

The Kenya's shilling gained ground on Thursday, helped by commercial banks selling off their long dollar positions

Today's expected USD/KES trading range is 129.00 – 131.00.

## Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency    | Today   | Previous |
|----------|--------|---------|-------------|---------|----------|
| USD/KES  | 129.00 | 131.00  |             |         |          |
| GBP/KES  | 164.50 | 167.80  | GBP/USD     | 1.2845  | 1.2795   |
| EUR/KES  | 140.20 | 143.00  | EUR/USD     | 1.0935  | 1.0900   |
| INR/KES  |        | 1.5785  | AUD/USD     | 0.6694  | 0.6686   |
|          |        |         | USD/INR     | 83.14   | 83.10    |
|          |        |         | Commodities |         |          |
|          |        |         | Gold        | 2383.67 | 2,339.73 |
|          |        |         | Brent Crude | 80.07   | 77.48    |

## 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 <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 rose on Friday, continuing to climb after OPEC+ members Saudi Arabia and Russia indicated readiness to pause or reverse output agreements and as an interest rate cut in Europe raised the prospect of a similar U.S. move.

**Asia-Pacific markets:** Asia-Pacific stocks were mixed on Friday as investors looked at economic data from China and digested Japan's pay numbers, with markets also assessing the European Central Bank's rate cut.

## International Markets

**USD:** Most Asian currencies moved little on Friday in anticipation of key U.S. payrolls data due later in the day, although growing expectations of interest rate cuts saw the dollar headed for a weekly loss.

**GBP:** GBP/USD holds positive ground near 1.2795 in Friday's early Asian session. Higher Fed rate cut bets weigh on the US Dollar and US bond yields. Investors expect the BoE to deliver two rate cuts this year. The GBP/USD pair trades in positive territory for the third consecutive day around 1.2795 during the early Asian session on Friday. In the absence of key UK economic data releases, the GBP/USD pair will be influenced by the USD. All eyes will be on the US Nonfarm Payrolls (NFP) data for May, which is due later on Friday.

**EUR:** EUR/USD bulls keep bids buoyed on Thursday, but technical ceiling remains. Broader markets looking ahead to Friday's US NFP print. Fed rate cut hopes pin into September, ECB unlikely to bring a follow-up cut. EUR/USD pushed back into near-term highs on Thursday, easing below 1.0870 in early market action before recovering ground and re-pinning into familiar technical levels just below 1.0900 to close out the US market session.

**INR:** Indian Rupee edges lower on the renewed USD demand on Friday. RBI's MPC decided to keep the repo rate unchanged at 6.5% in its June meeting due to robust growth momentum. Investors will shift their attention to the highly-anticipated Nonfarm Payrolls (NFP) data, which is due later on Friday. Indian Rupee (INR) weakens on Friday on the modest recovery of the US Dollar.

Source: Reuters.

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