



GLOBAL MARKETS NEWSLETTER

Wednesday December 18th, 2024

Local Markets:

The Kenyan shilling was stable on Tuesday as hard-currency appetite was muted.

Today's expected USD/KES trading range is 128.40/129.90

Top News

Oil: Oil prices traded in a narrow range early on Wednesday as investors remained cautious ahead of an expected interest rate cut by the U.S. Federal Reserve.

Asia-Pacific markets: Asia-Pacific markets are trading mixed on Wednesday, following losses on Wall Street and ahead of the Federal Reserve's rate decision. Investors in Asia assessed trade data out of Japan ahead of a Bank of Japan rate decision this week.

International Markets

USD: The U.S. dollar held steady against the yen and other major rivals on Wednesday as investors waited to see whether the Federal Reserve will deliver a hawkish cut before the Bank of Japan and other central banks meet this week.

GBP: The GBP/USD pair struggles to capitalize on a two-day-old recovery move from the vicinity of the 1.2600 mark, or a three-week low touched on Monday and oscillates in a narrow band during the Asian session. Spot prices currently trade around the 1.2700 round figure, nearly unchanged for the day as traders keenly await the outcome of the highly-anticipated FOMC policy meeting before placing fresh directional bets.

EUR: The EUR/USD pair holds positive ground to near 1.0505 during the early European session on Wednesday. However, the cautious sentiment ahead of the Federal Reserve (Fed) interest rate decision meeting could weigh on riskier assets like the Euro (EUR).

INR: The Indian Rupee (INR) trades on a weaker note to near a new record low on Wednesday. The local currency remains on the defensive amid foreign fund outflows and a muted trend in domestic equities. Additionally, the widening of India's merchandise trade deficit in November could further undermine the INR. However, the routine foreign exchange intervention by the Reserve Bank of India (RBI) to sell the USD via state-owned banks could prevent the INR from significantly depreciating.

Source: Reuters.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	128.40	129.90			
GBP/KES	163.10	165.40	GBP/USD	1.2732	1.2706
EUR/KES	134.85	137.00	EUR/USD	1.0532	1.0536
INR/KES		1.5357	USD/INR	84.59	84.58
			AUD/USD	0.6336	0.6373
			Commodities		
			Gold	2648.55	2653.80
			Brent Crude	73.23	73.95

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	10.4564%	11.2500%	-
182 Days	10.5485%	11.3377%	-
364 Days	11.9673%	12.4903%	-
KES INFLATION	2.720%	3.600%	December 2024
KES CBR	11.25%	12.00%	
FED RATE	4.50%	4.75%	18/12/2024
ECB RATE	3.00%	3.25%	
BOE RATE	4.75%	5.00%	19/12/2024
RBI RATE	6.50%	6.50%	

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