

GLOBAL MARKETS NEWSLETTER

Wednesday January 22nd, 2025

Local Markets:

The Kenyan shilling eased slightly against the US dollar on Tuesday as foreign exchange demand marginally outpaced inflows from remittances and the tea sector.

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

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|---------|----------|
| USD/KES | 128.40 | 129.90 | | | |
| GBP/KES | 158.40 | 160.70 | GBP/USD | 1.2368 | 1.2316 |
| EUR/KES | 133.70 | 135.80 | EUR/USD | 1.0441 | 1.0412 |
| INR/KES | | 1.5070 | USD/INR | 86.20 | 86.12 |
| | | | AUD/USD | 0.6285 | 0.6262 |
| | | | Commodities | | |
| | | | Gold | 2756.10 | 2726.61 |
| | | | Brent Crude | 79.35 | 80.10 |

Benchmark Rates:

| Tenor | Current | Previous | Next meeting |
|----------------------|----------|----------|--------------|
| 91 Days | 9.5647% | 9.5935% | - |
| 182 Days | 10.0299% | 10.0253% | - |
| 364 Days | 11.3044% | 11.3342% | - |
| KES INFLATION | 3.000% | 2.720% | - |
| KES CBR | 11.25% | 12.00% | - |
| FED RATE | 4.25% | 4.50% | - |
| ECB RATE | 3.00% | 3.25% | - |
| BOE RATE | 4.75% | 5.00% | - |
| RBI RATE | 6.50% | 6.50% | - |

Top News

Oil: Oil prices were little changed in early trading on Wednesday as markets weighed U.S. President Donald Trump's declaration of a national energy emergency on his first day in office and its impact on supply.

Asia-Pacific markets: Most Asian currencies extended losses on Wednesday as investors remained cautious ahead of potential new U.S. tariffs under Donald Trump's administration, while the Malaysian ringgit jumped on expectations that the central bank would maintain steady interest rates later in the day.

International Markets

USD: The U.S. dollar alternates between gains and losses in a choppy session, as markets grapple with uncertainty surrounding any tariffs President Donald Trump may implement.

GBP: GBP/USD pauses its two-day rally, trading around 1.2330 during the Asian session on Wednesday. The pair remains subdued as the US Dollar (USD) holds onto modest gains. US President Donald Trump confirmed that the proposal for universal tariff hikes is still under consideration, although he stated, "We are not ready for that yet."

EUR: The EUR/USD pair drifts lower to around 1.0415 during the Asian trading hours on Wednesday. The Euro (EUR) weakens against the US Dollar (USD) after US President Donald Trump vowed to hit the European Union (EU) with tariffs. Later on Wednesday, traders will keep an eye on the European Central Bank's (ECB) President Lagarde speech for fresh impetus.

INR: The Indian Rupee (INR) flat lines on Wednesday. The persistent US Dollar (USD) buying from foreign portfolio investors and local oil companies weighs on the INR. Additionally, US President Donald Trump's plan to impose tariffs on China might exerts some selling pressure on Asian peers, including the Indian Rupee.

Source: Reuters.

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