

GLOBAL MARKETS NEWSLETTER

Monday 5th February 2024

Local Markets:

The Kenyan shilling was flat on Friday, as the local currency held onto its gains this week.

Today's expected USD/KES trading range is 158.50 – 163.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	158.50	163.50			
GBP/KES	202.00	206.50	GBP/USD	1.2641	1.2747
EUR/KES	173.00	176.50	EUR/USD	1.0820	1.0878
INR/KES		1.9850	AUD/USD	0.6545	0.6590
			USD/INR	82.8745	82.8475
			Commodities		
			Gold	2,031.97	2,071.85
			Brent Crude	77.82	78.86

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.3747%	16.2903%	-
182 Days	16.5058%	16.3756%	-
364 Days	16.6801%	16.5225%	-
KES INFLATION	6.90%	6.60%	29 th Feb, 24
KES CBR	12.50%	10.50%	06 th Feb, 24
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	25 th Jan, 24
BOE RATE	5.25%	5.25%	01 st Mar, 24
RBI RATE	6.50%	6.50%	

Top News

Oil : Asian shares fell on Monday and the dollar climbed after a robust U.S. jobs report dashed any expectations of a near-term interest rate cut from the Federal Reserve, while stocks in China stocks remained on the back foot on weak sentiment.

Asia-Pacific markets: Oil prices stabilized in early Asian trading on Monday after sharp falls last week, amid continued attempts to reach a ceasefire in the Israel-Palestinian conflict even as the U.S. planned new strikes on Iran-backed groups.

International Markets

USD: Most Asian currencies weakened on Monday, while the dollar steadied at a near two-month high as strong labor market data and hawkish signals from the Federal Reserve saw traders reconsider bets on early interest rate cuts.

GBP: GBP/USD lost ground as US Dollar surged after blockbuster US jobs data. US Nonfarm Payrolls added 353K jobs in January against the expected 180K. Fed Chair Jerome Powell reiterated that the March meeting is too soon to start rate cuts. BoE's Huw Pill mentioned that the right time for the rate cuts is probably still some time away. GBP/USD continues its decline for the second consecutive session, edging lower to around 1.2610 during the Asian trading hours on Monday.

EUR: EUR/USD trades on a weaker note near 1.0772 amid the stronger USD. Fed's Powell said a rate cut in March is too soon, as he doesn't believe that inflation is heading back to 2% sustainably. US January Nonfarm Payrolls were at 353K, beating market expectations of 180K; the Unemployment was flat; wages spiked. The faces some selling pressure above the mid-1.0700s during the early Asian trading hours on Monday.

INR: The Indian rupee weakened 0.14% versus the U.S. dollar and quoted at 83.04 per dollar tracking a fall in its Asian .

Source: Reuters.

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Ryan Akalah, Direct Lines: +254 111 030 600/626/680/681,

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibility or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.