GLOBAL MARKETS
NEWSLETTER

Friday 23rd February 2024

Local Markets:

The Kenyan shilling held steady against the dollar on Thursday and was expected to gain ground due to hard currency inflows from tea exports.

Today's expected USD/KES trading range is 143.90 – 148.10.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	143.90	148.10			
GBP/KES	182.18	188.00	GBP/USD	1.2660	1.2646
EUR/KES	155.71	160.80	EUR/USD	1.0827	1.0837
INR/KES		1.7907	AUD/USD	0.6570	0.6564
			USD/INR	82.8850	82.9210
			Commodities		
			Gold	2,029.45	2,040.05
			Brent Crude	83.26	83.31

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.5895%	16.5539%	-
182 Days	16.7344%	16.7155%	-
364 Days	16.9194%	16.9188%	-
KES INFLATION	6.90%	6.60%	30th Mar, 24
KES CBR	13.00%	12.50%	19th Mar, 24
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	
BOE RATE	5.25%	5.25%	07th Mar, 24
RBI RATE	6.50%	6.50%	

Top News

Oil prices fell on Friday after a U.S. Fed official said rate cuts should be delayed at least two more months. Brent crude futures were down 25 cents, or 0.3%, at $83.42/barrel, while U.S. WTI crude futures were 25 cents, or 0.3%, lower at $78.36.

Asia-Pacific markets: Japan's Nikkei hit a record high on Thursday with investors shrugging off dismal business activity data from the country, while other Asia-Pacific markets traded in the green. The Nikkei 225 hit 39,029, surpassing the previous record high of 38,915.87 reached in 1989.

International Markets

USD: Most Asian currencies fell on Friday, while the dollar steadied from recent losses as hawkish signals from the Fed and strong U.S. labor data cast more doubts over early U.S. rate cuts. DXY and DXY futures both moved little in Asian trade, and were set for mild weekly losses, as they fell from three-month highs earlier in the week.

GBP: GBP/USD posts modest gains above the mid-1.2600s in early Asia and 1.2663 at press time. USD decline provides some support to the pair, adding 0.02% on the day. The UK preliminary Manufacturing PMI for February came in at 47.1 versus 47.0, missing market expectations of 47.5. The Services PMI was unchanged at 54.3 but above the consensus of 54.1. The Composite PMI arrived at 53.3, against expectations and the previous reading of 52.9. Investors will take more cues from the Fed Christopher J. Waller speech on Friday. Next week, the US Annualized Q4 GDP will be released.

EUR: EUR/USD consolidates following a volatile session prompted by the release of European and US PMI data yesterday. EUR stabilized as investors processed the mixed figures concerning private business activity in the EU. The pair gets buoyed around 1.0820 in Asia trading. In the Eurozone, the disinflationary trend persists as both Eurozone and German PMI data for February reveal mixed figures. While preliminary Eurozone and German Services PMIs increased, Manufacturing PMIs fell short of market expectations.

INR: INR edges lower on Friday despite USD decline. The minutes of the Fed at its January meeting, along with a weaker-than-expected bond auction, pushed US Treasury yields higher and weighed on the INR. According to the minutes of the RBI MPC meeting, Governor Das said any premature move may undermine the success achieved so far. Das added that the bank remained cautious about inflation due to uncertainty in food prices, rising geopolitical tensions, and supply chain disruptions, as a new flash point also poses further risks to the inflation outlook. *Source: Reuters.*

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