

GLOBAL MARKETS NEWSLETTER

Thursday 29th February 2024

Local Markets:

The Kenyan shilling fell slightly against the dollar on Wednesday.

Today's expected USD/KES trading range is 143.00 – 148.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	143.00	148.00			
GBP/KES	180.97	187.90	GBP/USD	1.2662	1.2658
EUR/KES	154.80	160.80	EUR/USD	1.0834	1.0826
INR/KES		1.7901	AUD/USD	0.6517	0.6514
			USD/INR	82.9300	82.9100
			Commodities		
			Gold	2,043.75	2,039.35
			Brent Crude	82.16	82.42

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%	30 th Mar, 24
KES CBR	13.00%	12.50%	19 th Mar, 24
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	
BOE RATE	5.25%	5.25%	07 th Mar, 24
RBI RATE	6.50%	6.50%	

Top News

Oil prices extend declines from yesterday after a larger-than-expected build in U.S. crude stockpiles stoked worries about slow demand, while signs that U.S. rates could remain elevated added to pressure. Brent crude futures fell 14 cents to \$83.54/barrel. U.S. WTI crude futures were down 4 cents to \$78.50/barrel.

Asia-Pacific stock markets traded mixed Tuesday, with Hong Kong stocks leading the declines and Japan's Nikkei 225 giving up gains from earlier in the session. Asia-Pacific markets traded mixed Tuesday, with Hong Kong stocks leading the declines and Japan's Nikkei 225 giving up gains from earlier in the session.

International Markets

USD: Most Asian currencies moved little on Thursday and USD steadied ahead of U.S. inflation data, while the yen strengthened sharply as a BoJ member called for an end to negative rates. DXY and DXY futures both fell 0.1% in Asian trade, coming under pressure from a strong yen.

GBP: GBP/USD builds on yesterday's goodish rebound from the weekly low and attracts some follow-through buying during in Asia. Spot prices currently trade above mid-1.2600s and draw support from a modest USD downtick, though lack bullish conviction. BoE policymakers have been trying to push back against market expectations for early rate cuts. Deputy Governor Ramsden said he wants more evidence that inflationary pressures were easing to consider a cut in rates. BoE's Catherine Mann said on Wednesday that the spending habits of wealthy Brits make it harder to curb inflation.

EUR: EUR/USD sagged early Friday after European sentiment indicators came in below expectations, and a lopsided print in US GDP figures kept the pair in familiar territory midweek. Thursday brings plenty of data for investors to chew on with German Retail Sales and CPI numbers, which will be closely followed by US PCE index. Friday will round out the week with pan-European HICP inflation, as well as the US ISM Manufacturing Feb PMI.

INR: INR trades in negative territory on Thursday amid increased month-end USD demand. Traders speculate the RBI might be actively buying USD, which might limit the pair in a tight range. Robust economic fundamentals, the oil price pullback, and moderation in domestic inflation might support INR. The Statistics Ministry will release India's Q3 2023 GDP data today, estimated to slow to 6.5% from 7.6% in the previous quarter. If the report shows a stronger-than-estimated outcome, this could boost the INR and weigh on USD/INR.

Source: Reuters.

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

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