

GLOBAL MARKETS NEWSLETTER

Tuesday 05th March, 2024

Local Markets:

The Kenyan shilling was unchanged on Monday but was expected to strengthen due to banks unwinding long dollar positions.

Today's expected USD/KES trading range is 142.00 – 147.00.

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 | 1.2678 | 1.2662 |
| EUR/KES | 154.80 | 160.80 | EUR/USD | 1.0848 | 1.0844 |
| INR/KES | | 1.7901 | AUD/USD | 0.6480 | 0.6516 |
| | | | USD/INR | 82.9260 | 82.8970 |
| | | | Commodities | | |
| | | | Gold | 2,125.10 | 2,090.35 |
| | | | Brent Crude | 82.42 | 83.51 |

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 fell for a second day on Tuesday as pledges by China to transform its economy amid stuttering growth since the COVID pandemic failed to impress investors concerned about slower consumption. Brent futures for May fell 16 cents, to \$82.64/barrel, while U.S. WTI fell 28 cents, to \$78.46.

Asia-Pacific stock markets are mixed as China's "Two Sessions" meeting got under way, with investors watching out for the details of its economic plans after the country projected a GDP growth target of "around 5%" for 2024. The country would boost its defense spending by 7.2% in 2024. It expects the inflation rate to rise to "around 3%."

International Markets

USD: Most Asian currencies moved little on Tuesday as China's economic goals for 2024 failed to liven up markets, while USD steadied before more rate cues later this week. DXY and DXY futures steadied in Asian trade on Tuesday, after seeing some volatility in recent sessions.

GBP: GBP/USD climbed into 1.2700 before falling back, paring away some of the day's gains but hitting the rollover higher than it started. The UK sees only a thin showing on the economic calendar this week, and another US NFP labor print on Friday sees investors gearing up for another kick at the can on how soon the Fed will begin cutting interest rates. Fed's Powell will also be making an appearance this week, testifying before the US Congress' House Financial Services Committee regarding the Fed's Semi-Annual Monetary Policy Report.

EUR: EUR/USD struggles to capitalize on its strong gains registered over the past 2 days, oscillating narrowly in Asia. Spot trades around mid-1.0800s, nearly unchanged for the day and just below a week high touched Monday. investors this week will confront the release of important US macro data scheduled at the beginning of a new month, including the closely watched monthly employment details, or the NFP report on Friday.

INR: INR edges lower on Tuesday amid the modest USD rebound. India's **GDP** grew at its fastest pace in 18 months, expanding 8.4% over a year earlier in the October-December quarter. Additionally, most high-frequency indicators continued to grow, showing signs of resilient economic activity. Market players will keep an eye on the US ISM Services PMI for Feb, today. Later this week, attention will be on the Fed's Chair Jerome Powell testifying on Wednesday ahead of the US labour market data, including NFPs, Average Hourly Earnings and Unemployment Rate on Friday. **Source: Reuters.**

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