

GLOBAL MARKETS NEWSLETTER

Thursday 07th March 2024

Local Markets:

The Kenyan shilling held steady on Wednesday and was expected to firm in the days ahead due to inflows from offshore investors into local government bond sales, and commercial banks unwinding their long dollar positions.

Today's expected USD/KES trading range is 138.00 – 144.50

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	138.00	144.50			
GBP/KES	178.00	183.60	GBP/USD	1.2755	1.2708
EUR/KES	152.00	157.20	EUR/USD	1.0935	1.0862
INR/KES		1.7620	AUD/USD	0.6615	0.6523
			USD/INR	82.6660	82.9030
			Commodities		
			Gold	2,156.59	2,137.55
			Brent Crude	82.86	82.31

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%	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: Oil prices held steady on Thursday, holding onto overnight gains after upbeat Chinese trade data and after U.S. data showed a smaller-than-expected rise in crude inventories and large draws in fuel stocks.

Asia-Pacific stock markets : Japan stock indexes retreated from record highs Thursday, while investors assessed better-than-expected trade data from China.

International Markets

USD: The U.S. dollar eased on Thursday and hit a one-month low against the yen as traders zeroed in on the idea that U.S. interest rates were likely to fall this year even after some upside surprises on inflation.

GBP: GBP/USD trades in positive territory for the fifth consecutive day near 1.2735 on Thursday. Fed's Chair Powell said rate cuts are likely at some point this year. UK Chancellor Jeremy Hunt said the UK economy is estimated to grow by 0.8% in 2024 and 1.9% in 2025. The US weekly Initial Jobless Claims and Trade Balance will be released on Thursday. The GBP/USD pair breaks above the 1.2700 barrier and currently trades around 1.2735 during the early Asian session on Thursday.

EUR: EUR/USD sticks to a psychological level on Thursday post recent gains. ECB is expected to maintain the Rate on Deposit Facility at 4.0%. Fed Chair Powell has indicated the readiness to reduce interest rates at some point this year. EUR/USD remains steady around 1.0900 during the Asian session on Thursday, retracing slightly from its six-week high of 1.0915 reached in the prior session following dovish remarks by Federal Reserve (Fed) Chair Jerome Powell during his testimony before the House Financial Services Committee.

INR: The Indian rupee rose to its strongest level in six months on Thursday aided by dollar sales from large foreign banks but likely intervention from the Indian central bank eroded the local unit's early gains.

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.