

GLOBAL MARKETS NEWSLETTER

Friday 22nd March, 2024

Local Markets:

The Kenyan shilling was unchanged on Friday, with little importer demand for dollars in the market, but was expected to gain ground in the next few days, helped by inflows from horticultural produce exporters.

Today's expected USD/KES trading range is 130.40 – 134.10.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.40	134.10			
GBP/KES	164.73	169.90	GBP/USD	1.2609	1.2639
EUR/KES	141.27	145.80	EUR/USD	1.0819	1.0838
INR/KES		1.6125	AUD/USD	0.6522	0.6528
			USD/INR	83.4870	83.3475
			Commodities		
			Gold	2,168.20	2,175.90
			Brent Crude	85.28	85.20

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.7306%	16.6976%	-
182 Days	16.9137%	16.8900%	-
364 Days	16.9890%	16.9889%	-
KES INFLATION	6.90%	6.60%	30 th Mar, 24
KES CBR	13.00%	12.50%	
FED RATE	5.50%	5.50%	
ECB RATE	4.50%	4.50%	
BOE RATE	5.25%	5.25%	
RBI RATE	6.50%	6.50%	

Top News

Oil prices rose in early Asia on concerns over tighter global supply brought about by escalating Middle East conflict and Russia-Ukraine, while a shrinking U.S. rig count added to upward price pressure. [Brent crude](#) futures climbed 52 cents to \$85.95/barrel, [U.S. crude](#) futures gained 55 cents to \$81.18/barrel.

Asia-Pacific markets: Asian equities traded within narrow ranges early Monday as investors looked ahead to a busy week of economic data including the Fed's preferred inflation gauge. The CNY pared some of Friday's losses following support by authorities. Shares in Australia and Hong Kong edged higher, while those in Japan and mainland China slipped.

International Markets

USD: Most Asian currencies firmed on Monday, recovering a measure of recent losses as the dollar consolidated at 1-month highs, while traders remained on guard over potential government intervention for the CNY and JPY. DXY and DXY futures fell slightly from a 1-month high in Asia, consolidating after a late-week rally.

GBP: GBP/USD holds positive ground above 1.2600 in early Europe. The pair rebounds amid the softer USD and lower US T-bond yields. Investors await the release of UK and US GDP on Thursday for fresh catalysts. Data released from the Office for National Statistics on Friday reported that UK Retail Sales came in better than expectations, remaining flat in February. This figure was above the market consensus of a 0.3% decline and suggested a good sign for the economy since the UK entered a technical recession in H2 2023.

EUR: [EUR/USD](#) kicks off the new week on a positive note above 1.0800 amid the softer USD. The highlights for this week will be the release of German Feb Retail Sales and US Q4 GDP growth numbers. [EUR/USD](#) trades at 1.0816, up 0.08% on the day. ECB Governing Council member Edward Scicluna stated that an ECB rate cut as soon as April could be warranted and shouldn't be ruled out. Meanwhile, Bundesbank President Joachim Nagel said Friday that the ECB may be able to cut rates before the summer, possibly in June, as inflation is on the way back to 2%.

INR: INR fell to a record low closing level Friday, tracking declines in emerging market peers against the dollar, after China jolted markets by loosening its grip on the yuan. The currency slid 0.3% to 83.4250, the lowest ever close.

Source: Reuters.

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