

GLOBAL MARKETS NEWSLETTER

Monday 04th March, 2024

Local Markets:

The Kenyan shilling traded marginally stronger in thin trading on Friday.

Today's expected USD/KES trading range is 142.50 – 147.50.

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	1.2662
EUR/KES	154.80	160.80	EUR/USD	1.0844	1.0834
INR/KES		1.7901	AUD/USD	0.6516	0.6517
			USD/INR	82.8970	82.9300
			Commodities		
			Gold	2,090.35	2,043.75
			Brent Crude	83.51	82.16

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 nudged higher on Monday after OPEC+ members agreed to extend voluntary oil output cuts to the end of Q2, largely in line with market expectations, while Russia pledged to cut production and exports. Brent futures were at \$83.69/barrel, while the U.S. WTI inched up 2 cents to \$79.99/barrel.

Asia-Pacific stock markets: Japan's Nikkei 225 crossed the 40,000 mark on Monday, gaining 0.46% and setting a new record high after the S&P500 and the Nasdaq Composite hit fresh all-time highs on Friday. The broader Topix fell 0.12%, retreating from its all-time hit on Friday.

International Markets

USD: Most Asian currencies kept to a tight range on Monday, while USD steadied from recent losses as markets awaited more cues on Fed rates and key payrolls data this week. DXY and DXY futures moved little in Asian trade on Monday, after clocking fortnight losses. USD was hit by growing conviction that the Fed will begin rate cuts in June.

GBP: GBP/USD builds on Friday's goodish rebound from 1.2600. GBP draws support from BoE Chief Economist Huw Pill's hawkish remarks on Friday, saying the first rate cut is still some way off. USD, on the other hand, remains depressed in the wake of Friday's disappointing US macro data and less hawkish remarks by Fed officials. Recent risk-on rally across the global equity markets further undermines the dollar, lending some support to the Cable pair.

EUR: EUR/USD kicks off the new week on a positive note in early Asia. The pair's uptick is supported by the weaker USD. Investors will closely watch the ECB monetary policy meeting on Thursday, with no rate change expected. EUR/USD trades at 1.0845. The ECB wants to see additional data on easing wage pressures before considering the monetary policy stance. Investors will take more cues from the press conference about the policy outlook. Hawkish remarks from the bank could lift the EUR and act as a EUR/USD tailwind.

INR: INR trades on a weaker note today. The downside might be limited given the data showing India's GDP growth in Q4 2023 considerably above forecasts, with the economy expanding by 8.4%, against 6.6% anticipated. The Indian S&P Global Services PMI for Feb will be due tomorrow. Investors will closely watch Powell testify on Wednesday, which might offer some hints about a broad overview of the economy and monetary policy.

Source: Reuters.

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