

GLOBAL MARKETS NEWSLETTER

Tuesday 16th April 2024

Local Markets:

The Kenyan shilling weakened against the dollar on Monday, under pressure from foreign-currency demand from the fuel and manufacturing sectors, and as some traders covered short positions.

Today's expected USD/KES trading range is 129.00 – 131.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.00	132.50			
GBP/KES	161.00	165.10	GBP/USD	1.2468	1.2494
EUR/KES	138.00	141.10	EUR/USD	1.0647	1.0683
INR/KES		1.5980	AUD/USD	0.6448	0.6525
			USD/INR	83.4070	83.3250
			Commodities		
			Gold	2388.14	2,355.77
			Brent Crude	90.68	90.14

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.7330%	16.7243%	-
182 Days	16.8684%	16.8738%	-
364 Days	16.5310%	16.9898%	-
KES INFLATION	6.60%	5.7%	30 th April 24
KES CBR	13.00%	13.00%	
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: Oil prices rose on Tuesday as the Chinese economy grew faster than expected, while heightened tensions in the Middle East also kept markets on edge after Israel said it would respond to Iran's weekend missile and drone attack.

Asia-Pacific markets: The Japanese Yen remains depressed near a multi-decade low amid the BoJ's dovish outlook. Reduced Fed rate cut bets lift the USD to a fresh YTD top and further lend support to USD/JPY. Intervention fears and a softer risk tone could help limit deeper losses for the safe-haven JPY. The Japanese Yen (JPY) remains on the back foot against its American counterpart through the Asian session on Tuesday and hangs near a 34-year low touched the previous day

International Markets

USD: Most Asian currencies weakened on Tuesday, while the dollar rose to over five-month highs amid rising geopolitical tensions between Iran and Israel and increased bets on higher-for-longer U.S. interest rates.

GBP: GBP/USD drops to a fresh YTD low and is pressured by a combination of factors. Bets for more aggressive policy easing by the BoE continue to weigh on the GBP. Reduced Fed rate cut bets underpin the USD and contribute to the downfall. The GBP/USD pair drifts lower for the third straight day on Tuesday – also marking the fourth day of a negative move in the previous five – and drops to its lowest level since November 17 during the Asian session

EUR: EUR/USD extends its losing streak as the Fed is expected to maintain higher interest rates for an extended period. US Retail Sales (MoM) experienced a 0.7% increase in March, against the expected 0.3% and 0.9% prior. The dovish remarks from the ECB's officials contribute to downward pressure on the Euro. EUR/USD continues to lose ground for the sixth successive session, trading near 1.0610 during the Asian hours on Tuesday.

INR: The rupee depreciated 9 paise to 83.53 against the US dollar in early trade on Tuesday, weighed down by a strong American currency and elevated crude oil prices.

Source: Reuters.

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