

GLOBAL MARKETS NEWSLETTER

Wednesday May 22nd, 2024

Local Markets:

The Kenya's shilling slid lower against the dollar on Tuesday on elevated demand for hard currency from importers of fuel and manufacturers.

Today's expected USD/KES trading range is 130.50 – 133.50.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	130.50	133.50			
GBP/KES	165.70	169.80	GBP/USD	1.2743	1.2742
EUR/KES	141.50	145.20	EUR/USD	1.0875	1.0895
INR/KES		1.6080	AUD/USD	0.6691	0.6690
			USD/INR	83.1350	83.2200
			Commodities		
			Gold	2413.88	2,413.63
			Brent Crude	82.24	83.22

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9370%	15.9039%	-
182 Days	16.5176%	16.5014%	-
364 Days	16.5295%	16.5067%	-
KES INFLATION	5.7%	5.0%	30 th May 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%	

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Top News

Oil: Oil prices fell for a third straight session on Wednesday on expectations the Federal Reserve might keep U.S. interest rates higher for longer due to sustained inflation, potentially impacting fuel use in the world's largest oil consumer

Asia-Pacific markets: Asian shares edged higher on Wednesday as anxious investors dared to hope AI-diva Nvidia could meet sky-high expectations, while keeping a wary eye on the outlook for U.S. and UK interest rates

International Markets

USD: Most Asian currencies kept to a tight range on Wednesday as the dollar steadied in anticipation of more cues on U.S. interest rates from the minutes of the Federal Reserve's recent meeting.

GBP: GBP/USD trades sideways near 1.2710 in Wednesday's early Asian session. Fed officials stick to cautious approach after April CPI inflation sparked rate cut hopes. BoE's Bailey said the next move on rates will be a cut, adding he expected easing in April inflation data. The GBP/USD pair remains confined around 1.2710 during the early Asian session on Wednesday. Financial markets await fresh impetus, with the release of the UK Consumer Price Index (CPI) and FOMC Minutes due on Wednesday.

EUR: EUR/USD halts its two days of losses ahead of FOMC Minutes on Wednesday. Fed's Susan Collins stated that progress toward interest rate adjustment will take longer. The likelihood of surrounding the ECB extending the rate-cut cycle is providing support for the Euro. EUR/USD remains stable ahead of the release of the Minutes from the Federal Open Market Committee (FOMC) meeting held on May 1, scheduled for Wednesday.

INR: The Indian rupee rose to its highest in over a month on Tuesday, aided by dollar sales from large foreign banks and a dip in Treasury yields ahead of the release of minutes from the Federal Reserve's latest policy meeting later in the day.

Source: Reuters.

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