

# GLOBAL MARKETS NEWSLETTER

Tuesday June 11<sup>th</sup>, 2024

## Local Markets:

The Kenya's shilling was stable on Monday, as importers from the manufacturing sector held off from buying dollars as they anticipate that the local currency will strengthen.

Today's expected USD/KES trading range is 128.00 – 130.00.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	128.00	130.00			
<b>GBP/KES</b>	162.50	165.70	<b>GBP/USD</b>	1.2760	1.2755
<b>EUR/KES</b>	137.50	140.10	<b>EUR/USD</b>	1.0792	1.0787
<b>INR/KES</b>		1.5680	<b>AUD/USD</b>	0.6617	0.6615
			<b>USD/INR</b>	83.29	83.28
			<b>Commodities</b>		
			<b>Gold</b>	2303.07	2,2295.91
			<b>Brent Crude</b>	81.57	79.83

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.9654%	15.9545%	-
<b>182 Days</b>	16.6405%	16.6076%	-
<b>364 Days</b>	16.7311%	16.7061%	-
<b>KES INFLATION</b>	5.1%	5.0%	30 <sup>th</sup> June 24
<b>KES CBR</b>	13.00%	13.00%	
<b>FED RATE</b>	5.50%	5.50%	
<b>ECB RATE</b>	3.75%	4.00%	
<b>BOE RATE</b>	5.25%	5.25%	

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## Top News

**Oil:** Oil prices rose on Tuesday, extending the previous day's rally on hopes of higher seasonal fuel demand and potential U.S. crude purchases for its petroleum reserve, though gains were capped by a firmer dollar.

**Asia-Pacific markets:** Asia-Pacific markets were mixed on Tuesday, even as the S&P 500 and Nasdaq Composite reached new highs on Wall Street overnight.

## International Markets

**USD:** EUR/USD suffered a blow Monday as the winds of political uncertainty made a swift reappearance on the continent, encouraging further calls of more pain ahead for the single currency.

**GBP:** GBP/USD could find resistance around the psychological level of 1.2800. The momentum indicator MACD suggests a confirmation of a bullish trend for the pair. The 21-day EMA at 1.2712 appears as the immediate support, followed by the lower boundary of the rising channel at 1.2700. GBP/USD extends its gains for the second successive session ahead of employment data release from the United Kingdom (UK), trading around 1.2740 during the Asian session on Tuesday.

**EUR:** EUR/USD struggles to lure buyers and is undermined by a combination of factors. Reduced Fed rate cut bets continue to lend support to the USD and cap the upside. Political uncertainty in Europe is further holding back the Euro bulls on the defensive. The EUR/USD pair edges higher during the Asian session on Tuesday and currently trades around the 1.0765-1.0770 area, albeit lacks strong follow-through buying.

**INR:** Indian Rupee trades sideways on Tuesday amid a cautious mood. Higher US bond yields and lower bets on Fed rate cuts might drag the INR lower against the US Dollar. The respective Indian and US Consumer Price Index (CPI) inflation data are due on Wednesday ahead of the Fed rate decision. Indian Rupee (INR) remains flat on Tuesday despite the firmer US Dollar (USD). The rising US bond yields and lower bets on rate cuts from the Federal Reserve (Fed) after stronger-than-expected US employment data lift the Greenback for the time being

Source: Reuters.

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