

# GLOBAL MARKETS NEWSLETTER

Wednesday June 5<sup>th</sup>, 2024

## Local Markets:

The Kenya shilling gained strength against the US dollar and major foreign currencies, ranking top among best-performing currencies

Today's expected USD/KES trading range is 129.50 – 131.50.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	129.50	131.50			
<b>GBP/KES</b>	165.10	168.30	<b>GBP/USD</b>	1.2795	1.2835
<b>EUR/KES</b>	140.50	143.40	<b>EUR/USD</b>	1.0900	1.0932
<b>INR/KES</b>		1.5945	<b>AUD/USD</b>	0.6686	0.6699
			<b>USD/INR</b>	83.10	82.90
			<b>Commodities</b>		
			<b>Gold</b>	2339.73	2,348.08
			<b>Brent Crude</b>	77.48	74.22

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.9545%	15.9453%	-
<b>182 Days</b>	16.6076%	16.5638%	-
<b>364 Days</b>	16.7061%	16.6231%	-
<b>KES INFLATION</b>	5.1%	5.0%	30 <sup>th</sup> May 24
<b>KES CBR</b>	13.00%	13.00%	
<b>FED RATE</b>	5.50%	5.50%	
<b>ECB RATE</b>	4.50%	4.50%	
<b>BOE RATE</b>	5.25%	5.25%	

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## Top News

**Oil:** Oil prices extended losses slightly from the previous session in early Asian trading on Wednesday after an industry report showed builds in U.S. crude and fuel stockpiles, adding to concerns around demand growth.

**Asia-Pacific markets:** Asia-Pacific markets were mixed on Wednesday, with stocks in India stabilizing after a heavy sell-off in the previous session as investors assessed India's election results.

## International Markets

**USD:** The U.S. dollar on Tuesday edged higher from its more than two-month lows against the euro, sterling, and Swiss franc, as investors consolidated gains in other currencies ahead of key nonfarm payrolls report later this week.

**GBP:** GBP/USD attracts fresh buying on Wednesday amid the underlying USD bearish tone. Divergent Fed-BoE policy expectations turn out to be another factor lending support. The technical setup favors bullish traders and supports prospects for additional gains. The GBP/USD pair trades with a mild positive bias around the 1.2775-1.2780 area during the Asian session on Wednesday and remains well within the striking distance of its highest level since March 14

touched the previous day.

**EUR:** EUR/USD attracts fresh buyers on Wednesday amid a modest USD downtick. Fed rate cut bets keep the US bond yields depressed and undermine the buck. Wednesday's US data might provide some impetus ahead of the ECB on Thursday. The EUR/USD pair builds on the overnight bounce from the 1.0860-1.0855 region and ticks higher during the Asian session on Wednesday amid subdued US Dollar (USD) price action.

**INR:** Indian Rupee (INR) trades on a stronger note on Wednesday. Lower oil prices and optimism about foreign fund inflows support the INR after facing the uncertainty surrounding Indian election. Traders will closely watch the Indian HSBC Services PMI and US ISM Services PMI for May, which are due on Wednesday. Indian Rupee (INR) recovers some lost ground on Wednesday after facing some selling pressure in the previous session. On Tuesday, the uncertainty surrounding a majority win for the BJP-led government triggered a significant sell-off in Indian equities and the INR. Nevertheless, the decline in crude oil prices and optimism about foreign fund inflows due to India's inclusion in the JPMorgan bond indices are likely to support the Indian Rupee.

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