

# GLOBAL MARKETS NEWSLETTER

## Local Markets:

The Kenyan shilling was stable against the U.S dollar on Monday, data from the London Stock Exchange Group showed.

Today's expected USD/KES trading range is 128.30/129.60

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	128.30	129.60			
GBP/KES	171.6	174.00	GBP/USD	1.3405	1.3326
EUR/KES	144.35	146.60	EUR/USD	1.1282	1.1207
INR/KES		1.5262	USD/INR	84.92	84.95
			AUD/USD	0.6449	0.6430
			Commodities		
			Gold	3212.60	3216.97
			Brent Crude	65.33	65.06

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	8.3699%	8.3815%	-
182 Days	8.5831%	8.6010%	-
364 Days	10.0022%	10.0098%	-
KES INFLATION	4.110%	3.600%	-
KES CBR	10.00%	10.75%	-
FED RATE	4.25%	4.50%	-
ECB RATE	2.65%	2.90%	-
BOE RATE	4.25%	4.50%	-
RBI RATE	6.00%	6.25%	-

## Top News

**Oil:** West Texas Intermediate (WTI), the US crude oil benchmark, is trading around \$62.10 during the Asian trading hours on Tuesday. The WTI price edges higher on signs of a breakdown in US negotiations with Iran over its nuclear program, while Moody's downgrades the US national credit rating.

**Asia-Pacific markets:** Most Asian currencies held steady on Tuesday ahead of a crucial vote on sweeping U.S. tax cuts, while the Australian dollar dipped as markets awaited the Reserve Bank of Australia's interest rate decision later in the day. Meanwhile, the Chinese yuan was largely unmoved after the country's central bank reduced its benchmark loan prime rate as expected.

## International Markets

**USD:** The US Dollar Index, which measures the greenback against a basket of major currencies, was largely unchanged after ticking lower in the previous few sessions. Market sentiment was also affected by global ratings agency Moody's downgrading its investment grade rating on the U.S. by a notch over the country's growing \$36 trillion debt.

**GBP:** GBP/USD continues its upward momentum for the second consecutive session, hovering near 1.3360 during Asian trading hours on Tuesday. The Pound Sterling (GBP) is strengthening as the US Dollar (USD) softens in response to Moody's Ratings downgrading the US credit rating.

**EUR:** EUR/USD remains steady after registering more than 0.50% gains in the previous session, trading around 1.1240 during the Asian hours on Tuesday. On the daily chart, technical analysis indicates a bearish bias is in play, as the pair continues to trade lower within a descending channel pattern.

**INR:** The Indian Rupee (INR) weakens on Tuesday. Consumer inflation in India fell more than expected to a near six-year low in April, strengthening bets that the Reserve Bank of India (RBI) is due to extend its rate cutting cycle. This, in turn, undermines the Indian currency.

Source: Reuters.

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