

# NEWSLETTER

## GLOBAL MARKETS

**Local Markets:**

Kenyan shilling has remained relatively stable against the dollar in recent months, generally trading within a narrow range. The shilling's recent stability has been supported by robust diaspora remittances, healthy foreign exchange reserves and managed import demand.

Today's expected USD/KES trading range is 129.00/129.55

**Indicative FX rates as at 8.30am:**

| Currency | Buying | Selling | Currency    | Today   | Previous |
|----------|--------|---------|-------------|---------|----------|
| USD/KES  | 129.00 | 129.55  |             |         |          |
| GBP/KES  | 173.60 | 175.45  | GBP/USD     | 1.3559  | 1.3568   |
| EUR/KES  | 150.60 | 151.80  | EUR/USD     | 1.1742  | 1.1746   |
| INR/KES  |        | 1.3875  | USD/INR     | 93.90   | 93.80    |
|          |        |         | AUD/USD     | 0.7199  | 0.7197   |
|          |        |         | Commodities |         |          |
|          |        |         | Gold        | 4641.90 | 4710.08  |
|          |        |         | Brent Crude | 109.43  | 107.56   |

**Benchmark Rates:**

| Tenor         | Current | Previous |  |
|---------------|---------|----------|--|
| 91 Days       | 7.7794% | 7.400%   |  |
| 182 Days      | 7.8867% | 7.8293%  |  |
| 364 Days      | 8.2710% | 8.2700%  |  |
| KES INFLATION | 4.40%   | 4.50%    |  |
| KES CBR       | 8.75%   | 9.00%    |  |
| FED RATE      | 3.50%   | 3.75%    |  |
| ECB RATE      | 2.00%   | 2.40%    |  |
| BOE RATE      | 3.75%   | 4.00%    |  |
| RBI RATE      | 5.25%   | 5.25%    |  |

**Top News**

**Oil:** Oil prices rose 1% on Tuesday, extending gains from the previous session, as efforts to end the U.S.-Iran war appear stalled, with the crucial Strait of Hormuz waterway still mainly shut, keeping energy supplies from the key Middle East producing region out of the reach of global buyers.

**Asia-Pacific markets:** Asian stocks were mixed on Tuesday amid elevated oil prices and lingering geopolitical uncertainty, while the Bank of Japan delivered a widely expected interest rate hold. Wall Street ended slightly higher on Monday, with the S&P 500 and Nasdaq closing at fresh record highs, supported by gains in technology shares.

**International Markets**

**USD:** The U.S. dollar weakened slightly on Monday, as investors remained largely on the sidelines ahead of a raft of central bank decisions this week and after a diplomatic setback between Washington and Tehran

**GBP:** The GBP/USD pair trades in negative territory around 1.3525 during the early Asian session on Tuesday. The Pound Sterling softens against the US Dollar as traders prefer to wait on the sidelines ahead of the Federal Reserve and the Bank of England later this week.

**EUR:** The EUR/USD pair trades with a mild negative bias during the Asian session and looks to extend the previous day's retracement slide from levels just above mid-1.1700s. The uncertainty over the second round of US-Iran peace talks underpins the safe-haven US Dollar, which is seen as a key factor acting as a headwind for spot prices. The USD bulls, however, seem hesitant and opt to wait for the outcome of a two-day FOMC policy meeting on Wednesday before placing aggressive bets. This assists the EUR/USD pair to hold above the 1.1700 round-figure mark.

**INR:** The rupee depreciated 24 paise to 94.39 against the US dollar in early trade on Tuesday, pressured by elevated crude oil prices, month-end demand for the American currency and continued risk aversion in global markets

**Source: Reuters.**

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