

GLOBAL MARKETS NEWSLETTER

Monday July 1st, 2024

Local Markets:

The Kenya's shilling eased slightly on Friday as markets awaited the outcome of protests against a now-shelved tax increase plan.

Today's expected USD/KES trading range is 127.50 – 131.00

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.50	131.00			
GBP/KES	161.00	166.00	GBP/USD	1.2680	1.2672
EUR/KES	137.00	141.10	EUR/USD	1.0778	1.0724
INR/KES		1.5780	AUD/USD	0.6691	0.6670
			USD/INR	83.25	83.40
			Commodities		
			Gold	2322.70	2325.08
			Brent Crude	85.35	86.93

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9771%	15.9716%	-
182 Days	16.7636%	16.7379%	-
364 Days	16.7911%	16.7545%	-
KES INFLATION	4.60%	5.1%	31st July 24
KES CBR	13.00%	13.00%	
FED RATE	5.50%	5.50%	
ECB RATE	3.75%	4.00%	
BOE RATE	5.25%	5.25%	
RBI RATE	6.50%	6.50%	

Top News

Oil: Oil prices edged up in early trade on Monday, supported by forecasts of a supply deficit stemming from peak summer fuel consumption and OPEC+ cuts in the third quarter, although global economic headwinds and rising non-OPEC+ output capped gains.

Asia-Pacific markets: Most Asian currencies kept to a tight range on Monday as sentiment towards the region was dented by weak Chinese business activity data, while the dollar retreated amid some growing bets on an interest rate cut.

International Markets

USD: Asia-Pacific markets started the second half of the year mixed as investors assessed June business activity data from China as well as Japan's business confidence readings.

GBP: GBP/USD edges higher to 1.2655 in Monday's early Asian session. The softer US PCE inflation data prompted speculation that the Fed will cut the rate this year. The Opposition Labor Party is expected to win over the UK Prime Minister Rishi Sunak-led Conservative Party. The GBP/USD pair trades on a stronger note around 1.2655 during the early Asian session on Monday. The US Dollar (USD) edges lower as the US Personal Consumption Expenditures (PCE) Price Index for May eased to its lowest annual rate in more than three years, which provides some support to the major pair.

EUR: EUR/USD gains strong positive traction after the first round of France's snap election. September Fed rate cut bets undermine the USD and contribute to the strong move. The technical setup supports prospects for a further intraday appreciation for the pair. The builds on last week's rebound from the 1.0665 region, or a nearly two-month low and gains strong positive traction for the third successive day on Monday

INR: The Indian Rupee gains ground amid the weaker US Dollar in Monday's early Asian session. Indian bonds were included in the JPMorgan Emerging Market Debt Index, boosting India's foreign inflows and the INR. India's HSBC Manufacturing PMI and US ISM Manufacturing reports will be in the spotlight on Monday. The Indian Rupee (INR) strengthens on Monday on the softer US Dollar (USD)

Source: Reuters.

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