

GLOBAL MARKETS NEWSLETTER

Monday August 12th, 2024

Local Markets:

The Kenya's shilling weakened slightly on Friday against the U.S. dollar, driven by increased demand from the manufacturing sector, but was partially offset by commercial banks offloading their long dollar positions.

Today's expected USD/KES trading range is 127.25/130.50

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.25	130.50			
GBP/KES	162.80	166.90	GBP/USD	1.2789	1.2791
EUR/KES	139.30	142.80	EUR/USD	1.0951	1.0953
INR/KES		1.5554	AUD/USD	0.6624	0.6612
			USD/INR	83.85	83.90
			Commodities		
			Gold	2433.12	2419.10
			Brent Crude	79.90	79.02

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.8177%	15.9884%	-
182 Days	16.7148%	16.8502%	-
364 Days	16.9141%	16.9206%	-
KES INFLATION	4.30%	4.60%	31st Aug. 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 were little changed in early Asian trading on Monday, holding on to most of last week's more than 3% gains, supported by geopolitical tensions and better economic data.

Asia-Pacific markets: The yen was a tad softer against the dollar in trading thinned by a Japanese holiday on Monday, with market participants still ambivalent about the odds of a big Fed rate cut next month. The respite follows a tumultuous week that began with a massive selloff across currencies and stock markets, driven by worries over the U.S. economy and the Bank of Japan's hawkishness.

International Markets

USD: Most Asian currencies weakened slightly on Monday as traders turned slightly biased towards the dollar in anticipation of key U.S. inflation data this week, which is expected to offer more cues on interest rates.

GBP: GBP/USD could test the immediate barrier at a nine-day EMA of 1.2767 level and the upper boundary around 1.2800 level. The technical analysis of a daily chart suggests a bearish bias for the pair. The lower edge of the descending channel around the level of 1.2650 could act as a key support. GBP/USD pauses its two-day advance, trading around 1.2760 during the Asian session on Monday.

EUR: EUR/USD holds gains despite increasing risk aversion sentiment on Monday. Israeli intelligence expects Iran to launch an attack within the next few days. Fed Governor Bowman suggests that the central bank may not be prepared to cut rates in September. EUR/USD halts its four-day losing streak, trading around 1.0920 during the Asian session on Monday.

INR: The Indian Rupee trades sideways in Monday's Asian trading hours. Elevated Middle East geopolitical risks might boost the pair, while possible RBI intervention might cap the upside. Indian CPI and Industrial Production data will be the highlights on Monday. The Indian Rupee (INR) trades on a flat note on Monday amid the consolidation of the Greenback.

Source: Reuters.

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