

GLOBAL MARKETS NEWSLETTER

Friday August 16th, 2024

Local Markets:

The Kenya's shilling was unchanged against the U.S Dollar on Thursday, despite a slight uptick in foreign exchange demand from fuel traders and manufacturers.

Foreign currency inflows for a bond auction on Wednesday played a role in supporting the currency.

Today's expected USD/KES trading range is 127.00/130.00

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.00	130.00			
GBP/KES	163.53	167.50	GBP/USD	1.2906	1.2883
EUR/KES	139.50	143.00	EUR/USD	1.1014	1.1043
INR/KES		1.5555	AUD/USD	0.6650	0.6641
			USD/INR	83.57	83.47
			Commodities		
			Gold	2456.62	2451.64
			Brent Crude	80.90	79.87

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.8094%	15.8177%	-
182 Days	16.7078%	16.7148%	-
364 Days	16.8664%	16.9141%	-
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 edged lower in early Asian trading on Friday, but the market's benchmarks were set for a second consecutive weekly gain after upbeat U.S. economic data eased investor worries about a potential recession in the top oil consuming nation.

Asia-Pacific markets: Japan stocks led gains in Asia on Friday and were set for their best week in four years, with the Nikkei 225 up over 3%, after Wall Street rallied overnight as fresh economic data eased recessionary fears.

International Markets

USD: The dollar hovered near a two-week high after its biggest one-day gain against major peers in four weeks as firm U.S. economic data all but eliminated fears about a recession.

GBP: GBP/USD continues to strengthen for the second consecutive session, trading around 1.2870 during the Asian hours on Friday. The improved risk sentiment, driven by a stronger-than-expected recovery in US Retail Sales, has eased concerns about a potential US recession and boosted risk-sensitive currencies like the Pound Sterling (GBP).

EUR: The EUR/USD pair builds on the previous day's late rebound from the 1.0950 area and gains some positive traction during the Asian session on Friday. Spot prices, however, struggle to capitalize on the uptick and currently trade around the 1.0975-1.0980 region, up just over 0.05% for the day.

INR: Indian Rupee (INR) edges lower on Friday due to the modest recovery of the US Dollar (USD). Risk aversion in the global markets amid escalating geopolitical tension in the Middle East dampens the sentiment and undermines the INR. Additionally, the weak domestic markets and India's foreign outflows are likely to weigh on the local currency in the near term.

Source: Reuters.

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