

GLOBAL MARKETS NEWSLETTER

Monday August 19th, 2024

Local Markets:

The Kenya's shilling was stable against the U.S Dollar on Friday but is expected to come under pressure from foreign-currency demand from the manufacturing sector.

Foreign-currency inflows from a 50 billion Kenyan shilling infrastructure bond auction earlier last week have helped support the local until in recent sessions.

Today's expected USD/KES trading range is 127.25/130.25

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.25	130.25			
GBP/KES	165.00	169.00	GBP/USD	1.2996	1.2906
EUR/KES	140.60	144.20	EUR/USD	1.1079	1.1014
INR/KES		1.5524	AUD/USD	0.6702	0.6650
			USD/INR	83.90	83.57
			Commodities		
			Gold	2503.64	2456.62
			Brent Crude	79.43	80.90

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 eased in early Asian trading on Monday as fears of weaker demand in top oil importer China weighed on market sentiment while investors focus on the progress of ceasefire talks in the Middle East, which could reduce supply risks.

Asia-Pacific markets: Asia-Pacific markets were mixed on Monday after a week that saw a broad rally in stocks, as investors awaited a slew of central bank releases and inflation data this week.

International Markets

USD: The U.S. dollar was struggling to make headway against its peers on Monday, though it traded in a tight range as investors awaited fresh catalysts this week that could offer clues on the outlook for U.S. interest rates.

GBP: The GBP/USD pair builds on last week's breakout momentum and climbs to over a one-month peak, around mid-1.2900s during the Asian session on Monday. The strong move up comes on the back of the recent solid bounce from the vicinity of a technically significant 200-day Simple Moving Average (SMA) and could be seen as a fresh trigger for bullish traders.

EUR: The EUR/USD pair extends its gains for the second successive session, trading around 1.1030 during the Asian hours on Monday. The upside of the pair could be attributed to the rising odds of an interest rate cut by the US Federal Reserve (Fed) starting in September.

INR: The Indian Rupee (INR) flatlines on Monday despite the softer US Dollar (USD). India's foreign outflows and strong USD demand from importers remain exerting some selling pressure on the INR. Despite multiple headwinds, the local currency is supported by the Reserve Bank of India (RBI's) intervention, which is likely to sell USD to stabilize and prevent the INR from a breach of the crucial 84.00 level

Source: Reuters.

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