

GLOBAL MARKETS NEWSLETTER

Thursday August 1st, 2024

Local Markets:

Kenya's shilling strengthened on Wednesday, lifted by dollar inflows from horticultural produce exporters

Today's expected USD/KES trading range is 127.00/ 130.75

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.00	130.75			
GBP/KES	163.09	168.00	GBP/USD	1.2872	1.2868
EUR/KES	137.46	141.80	EUR/USD	1.0854	1.0849
INR/KES		1.5681	AUD/USD	0.6551	0.6512
			USD/INR	83.83	83.38
			Commodities		
			Gold	2446.12	2419.53
			Brent Crude	81.52	79.93

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	16.0000%	16.0215%	-
182 Days	16.8506%	16.8521%	-
364 Days	16.9212%	16.8971%	-
KES INFLATION	4.60%	5.1%	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 rose in early Asian trading on Thursday, extending strong gains in the previous session after the killing of a Hamas leader in Iran raised the threat of a wider Middle East conflict and on signs of strong oil demand in the U.S.

Asia-Pacific markets: Asia-Pacific markets largely rose on Thursday, after comments from U.S. Federal Reserve Chair Jerome Powell indicated that a rate cut could come in September if inflation data remained “encouraging.”

International Markets

USD: The U.S. dollar was soft on Thursday after the Federal Reserve opened the door for an interest rate cut in September, but also hinted to reducing borrowing costs as soon as its next meeting.

GBP: The GBP/USD pair struggles to capitalize on the previous day's post-FOMC positive move and oscillates in a narrow trading band during the Asian session on Thursday. Spot prices currently trade around mid-1.2800s, nearly unchanged for the day as traders opt to wait on the sidelines ahead of the Bank of England (BoE) policy update.

EUR: The EUR/USD pair rebounds to nearly 1.0835 during the Asian session on Thursday. The weaker US Dollar (USD) broadly after the Federal Reserve (Fed) interest rate decision provides some support to the major pair. The US ISM Manufacturing PMI data for July will be the highlight on Thursday.

INR: The Indian Rupee (INR) recovers on the decline of the US Dollar (USD) on Thursday. The US Federal Reserve (Fed) decided to keep its interest rates unchanged in the range of 5.25%-5.50% for the eighth time in a row at its July meeting on Wednesday. The dovish stance of Fed Chair Jerome Powell after the policy meeting has undermined the Greenback broadly.

Source: Reuters.

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