

GLOBAL MARKETS NEWSLETTER

Thursday August 22nd, 2024

Local Markets:

The Kenya's shilling was little changed against the US dollar on Wednesday as market participants were holding off from big bets.

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	166.15	170.20	GBP/USD	1.3113	1.3041
EUR/KES	141.52	145.10	EUR/USD	1.1173	1.1137
INR/KES		1.5555	AUD/USD	0.6761	0.6750
			USD/INR	83.57	83.58
			Commodities		
			Gold	2506.91	2514.25
			Brent Crude	76.02	77.07

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: A sharp sell-off in crude oil paused on Thursday after expectations of a rate cut by the Federal Reserve offset a bunch of weak economic data from the world's two largest economies, the United States and China.

Asia-Pacific markets: Asia-Pacific markets mostly fell Thursday, with investors digesting flash business activity data from Australia and Japan while awaiting numbers from India.

International Markets

USD: The dollar traded near the lowest in more than a year against the euro and sterling on Thursday as a dovish Federal Reserve and fresh signs of weakness in the U.S. job market backed the case for interest rate cuts.

GBP: The GBP/USD pair oscillates in a narrow band during the Asian session on Thursday and remains within striking distance of its highest level since July 2023, around the 1.3120 area touched the previous day. Spot prices currently trade around the 1.3085 region, nearly unchanged for the day, as traders now look to the flash PMIs from the UK and the US for short-term opportunities.

EUR: The EUR/USD pair trades with mild losses near 1.1145, snapping the four-day winning streak during the Asian session on Thursday. The downside of the major pair is likely to be limited amid firmer expectations that the US Federal Reserve (Fed) will start easing its monetary policy in September.

INR: The Indian Rupee (INR) loses ground on Thursday, pressured by concerns about importers' US Dollar (USD) demand and foreign equity outflows. Nonetheless, the further decline of crude oil prices might underpin the INR as India is the world's third-largest oil consumer and importer. The downside of the INR might also be limited amid the likely intervention from the Reserve Bank of India (RBI), which might sell USD to stabilize the Indian Rupee.

Source: Reuters.

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