

GLOBAL MARKETS NEWSLETTER

Thursday August 29th, 2024

Local Markets:

The Kenya's shilling strengthened slightly on Wednesday, with foreign exchange inflows from tea exporters slightly outweighing month-end demand from the manufacturing sector.

It is believed the major (foreign currency) supply is from the agricultural sector. Also, the central bank is in the market, buying dollars to prevent volatility.

Today's expected USD/KES trading range is 127.05/130.05

Indicative FX rates as at 8.30am:

| Currency | Buying | Selling | Currency | Today | Previous |
|----------------|--------|---------|--------------------|---------|----------|
| USD/KES | 127.05 | 130.05 | | | |
| GBP/KES | 168.02 | 172.10 | GBP/USD | 1.3255 | 1.3254 |
| EUR/KES | 141.52 | 145.10 | EUR/USD | 1.1169 | 1.1172 |
| INR/KES | | 1.5566 | AUD/USD | 0.6833 | 0.6810 |
| | | | USD/INR | 83.55 | 83.63 |
| | | | Commodities | | |
| | | | Gold | 2519.39 | 2504.92 |
| | | | Brent Crude | 78.82 | 79.56 |

Benchmark Rates:

| Tenor | Current | Previous | Next meeting |
|----------------------|----------|----------|--------------|
| 91 Days | 15.7940% | 15.8094% | - |
| 182 Days | 16.6686% | 16.7078% | - |
| 364 Days | 16.8592% | 16.8664% | - |
| 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 held mostly steady on Thursday as a smaller-than-expected draw in U.S. crude inventories and continued worries over China demand countered supply disruptions out of Libya.

Asia-Pacific markets: Asia-Pacific markets fell on Thursday, with tech stocks dragging South Korean and Taiwanese indexes after chipmaker Nvidia reported its second-quarter results. Investors in Asia will watch for any spillover to tech stocks in the region, which is home to companies along Nvidia's value chain.

International Markets

USD: The U.S dollar steadied on Thursday as it nursed some of its steep losses from previous sessions, with traders looking ahead to a key U.S. inflation reading at the end of the week that could offer further clues on the outlook for rates there.

GBP: GBP/USD is making a headway back toward the 29-month high set on Tuesday at 1.3266. The pair is helped by a renewed selling seen in the US Dollar even as risk-off flows dominate, in the aftermath of the disappointing guidance shared by the American AI titan, Nvidia.

EUR: EUR/USD is back in the green zone early Thursday, reversing a part of Wednesday's steep sell-off. The further upside, however, appears elusive if risk aversion gathers steam and revives the safe-haven demand for the US Dollar (USD).

INR: The Indian Rupee (INR) trades on a weaker note on Thursday. The US Dollar (USD) demand from local banks and corporates during the month-end, and a slight surge in crude oil prices are likely to cap the local currency's gains. Nonetheless, positive domestic markets and Federal Reserve (Fed) Chair Jerome Powell's dovish comments at the Jackson Hole meeting last week might cushion the rupee's downside.

Source: Reuters.

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