

GLOBAL MARKETS NEWSLETTER

Friday August 30th, 2024

Local Markets:

The Kenya's shilling was flat on Thursday, as month-end hard-currency demand from the manufacturing sector was offset by foreign investors inflows for the local bond market. The shilling has been relatively steady for several months, after rallying strong in the first half of 2024 as concerns eased that the East African country would default on a \$2 billion Eurobond that matured in June.

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	167.31	171.40	GBP/USD	1.3199	1.3255
EUR/KES	140.73	144.30	EUR/USD	1.1107	1.1169
INR/KES		1.5568	AUD/USD	0.6827	0.6833
			USD/INR	83.54	83.55
			Commodities		
			Gold	2517.90	2519.39
			Brent Crude	80.29	78.82

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.7844%	15.7940%	-
182 Days	16.6327%	16.6686%	-
364 Days	16.8421%	16.8592%	-
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 were steady in early trading on Friday as investors weighed supply concerns in the Middle East against signs of weakened demand.

Asia-Pacific markets: Asia-Pacific markets climbed Friday after economic data from the U.S. calmed recessionary fears, while investors also assessed a slew of data from Japan.

International Markets

USD: The dollar traded near a one-week high versus major peers on Friday, on track to snap a five-week losing run, after robust economic data pared bets for aggressive Federal Reserve interest rate cuts.

GBP: GBP/USD loses ground for the third successive session, trading around 1.3160 during the Asian hours on Friday. This downside could be attributed to the improved US Dollar (USD) following stronger-than-expected economic data released on Thursday. Investors await July's US Personal Consumption Expenditure (PCE) Price Index scheduled to be released later in the North American Session.

EUR: The EUR/USD pair recovers some lost ground around 1.1080, snapping the two-day losing streak on Friday during the early Asian session. However, the upside might be limited as traders might prefer to wait on the sidelines ahead of the flash estimate of the Eurozone July Harmonized Index of Consumer Prices (HICP) and the US July Personal Consumption Expenditure (PCE) Price Index.

INR: The Indian Rupee (INR) edges higher on Friday despite the stronger US Dollar. India's boosted weight in the MSCI Emerging Market Index could lead to significant foreign investment, stabilizing the INR in the near term. However, the recovery of crude oil prices might cap the upside for the local currency as India is the world's third-biggest oil importer and consumer.

Source: Reuters.

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