

# GLOBAL MARKETS NEWSLETTER

Monday August 5<sup>th</sup>, 2024

## Local Markets:

The Kenyan shilling slipped on Friday due to dollar demand from the manufacturing sector. Kenya's credit rating review by S&P Global later this month could be a big driver in the weeks ahead.

Today's expected USD/KES trading range is 127.50/ 131.25

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	127.50	131.25			
<b>GBP/KES</b>	162.26	167.20	<b>GBP/USD</b>	1.2756	1.2766
<b>EUR/KES</b>	139.06	143.40	<b>EUR/USD</b>	1.0937	1.0836
<b>INR/KES</b>		1.5722	<b>AUD/USD</b>	0.6410	0.6534
			<b>USD/INR</b>	83.48	83.38
			<b>Commodities</b>		
			<b>Gold</b>	2431.68	2465.00
			<b>Brent Crude</b>	75.93	80.08

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.9884%	16.0000%	-
<b>182 Days</b>	16.8502%	16.8506%	-
<b>364 Days</b>	16.9206%	16.9212%	-
<b>KES INFLATION</b>	4.30%	4.60%	31st Aug. 24
<b>KES CBR</b>	13.00%	13.00%	
<b>FED RATE</b>	5.50%	5.50%	
<b>ECB RATE</b>	3.75%	4.00%	
<b>BOE RATE</b>	5.25%	5.25%	
<b>RBI RATE</b>	6.50%	6.50%	

## Top News

**Oil:** Oil prices slipped in early Asian trading, extending losses from the previous session, over concerns about Chinese demand and as the market shrugged off the risk of conflict continuing in the Middle East.

**Asia-Pacific markets:** Asia-Pacific markets Asian equities declined on Monday, reflecting the losses on Wall Street from Friday, which were driven by worries about a potential US recession and underwhelming earnings from major tech companies.

## International Markets

**USD:** The U.S. dollar dropped to a four-month low after a weaker-than-expected employment report for July raised expectations that the Federal Reserve will cut interest rates by 50 basis points in September as the economy sours.

**GBP:** GBP/USD edges lower to near 1.2790 during the Asian session on Monday, which could be attributed to the downside of the US Dollar (USD). The Greenback faces challenges due to increased expectations of the Federal Reserve's (Fed) reducing interest rates in September.

**EUR:** The EUR/USD pair extends the rally near 1.0915 during the early Asian session on Monday. The uptick of the major pair is bolstered by the softer Greenback after disappointing US employment data. Traders will keep an eye on the HCOB Purchasing Managers Index (PMI) from Germany and the Eurozone, along with the US ISM Services PMI, which is due later on Monday.

**INR:** The Indian Rupee (INR) remains under pressure after falling to an all-time low at the open on Monday. The sell-off of the INR is backed by the risk-off environment, foreign outflows from India and other emerging markets, and US Dollar (USD) demand from importers.

Source: Reuters.

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