

GLOBAL MARKETS NEWSLETTER

Thursday August 8th, 2024

Local Markets:

The Kenyan shilling was stable against the dollar on Wednesday.

On Tuesday the CBK lowered its benchmark lending rate to 12.75% from 13.00% previously, saying there was Scope to ease policy gradually as inflation had fallen below the mid-point of its target range.

Today's expected USD/KES trading range is 127.00/130.25

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.00	130.25			
GBP/KES	161.24	165.50	GBP/USD	1.2726	1.2733
EUR/KES	138.89	142.70	EUR/USD	1.0946	1.0938
INR/KES		1.5584	AUD/USD	0.6570	0.6571
			USD/INR	83.58	83.58
			Commodities		
			Gold	2393.76	2393.31
			Brent Crude	76.80	76.61

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9884%	16.0000%	-
182 Days	16.8502%	16.8506%	-
364 Days	16.9206%	16.9212%	-
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 edged higher on Thursday for the third straight session after government data showed a steep draw in U.S. crude stockpiles, rebounding from multi-month lows touched this week.

Asia-Pacific markets: Asia-Pacific markets were mixed in choppy trading on Thursday after U.S. stock benchmarks fell overnight, while investors assessed trade data from Japan and awaited India's rate decision.

International Markets

USD: The US Dollar Index (DXY), which measures the value of the US Dollar (USD) against six other major currencies, retraces its recent gains from the previous two sessions, trading around 103.00 during the Asian session on Thursday.

GBP: GBP/USD breaks its three-day losing streak, trading around 1.2700 during the Asian session on Thursday. This upside could be attributed to the weaker US Dollar (USD) as the US Federal Reserve (Fed) is widely anticipated to implement a more aggressive rate cut beginning in September.

EUR: The EUR/USD pair rebounds to near 1.0935, snapping the two-day losing streak during the Asian trading hours on Thursday. The softer US Dollar (USD) provides some support to the major pair. Nonetheless, the risk-off sentiment might cap the upside of EUR/USD amid the escalating geopolitical risks. Later in the day, the weekly US Initial Jobless Claims will be published.

INR: The Indian Rupee (INR) weakens on the modest recovery of the Greenback on Thursday, snapping the two-day winning streak. The Reserve Bank of India (RBI) Governor Shaktikanta Das announced its bi-monthly monetary policy statement on Thursday. The Indian central bank maintained the status quo on the repo rate at 6.50% and the "withdrawal of accommodation" stance.

Source: Reuters.

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