

GLOBAL MARKETS NEWSLETTER

Tuesday September 3rd, 2024

Local Markets:

The Kenyan shilling was stable on Monday, with dollar supply from the tourism sector matching general importers demand.

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 | 166.56 | 170.60 | GBP/USD | 1.3145 | 1.3161 |
| EUR/KES | 140.39 | 144.00 | EUR/USD | 1.1084 | 1.1087 |
| INR/KES | | 1.5545 | AUD/USD | 0.6761 | 0.6792 |
| | | | USD/INR | 83.63 | 83.55 |
| | | | Commodities | | |
| | | | Gold | 2493.87 | 2498.37 |
| | | | Brent Crude | 77.45 | 76.41 |

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 | 4.40% | 4.30% | 30th Sept. 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: Brent oil prices slid in Asian trade on Tuesday as concern about a sluggish economy in China bringing down demand outweighed the impact of a blockade of oil production facilities in Libya.

Asia-Pacific markets: Asia-Pacific markets mostly fell on Tuesday as investors assess South Korea's August inflation numbers, which eased to its lowest level on a year-on-year basis since March 2021.

International Markets

USD: The dollar held close to a two-week high on Tuesday as investors geared up for a slew of economic data, including Friday's U.S. payrolls, that will influence the size of an expected interest rate cut from the Federal Reserve.

GBP: The GBP/USD pair trades on a weaker note near 1.3125 during the early European session on Tuesday. The sell-off of the major pair is dragged lower by the firmer US Dollar (USD) ahead of the key US economic data. The Bank of England (BoE) Deputy Governor Sarah Breeden is set to speak later on Tuesday, followed by the release of the US ISM Manufacturing Purchasing Managers Index (PMI).

EUR: EUR/USD found a thin bid on Monday, but an extended weekend will see US markets return to the fold on Tuesday just in time to stare down the barrel of a heavy docket full of US labor figures throughout the rest of the week. Markets kicked off Monday on a notably thin volume profile, with US markets shuttered for the Labor Day holiday.

INR: The Indian Rupee (INR) weakens on Tuesday, pressured by the recovery of the Greenback. The positive Indian equity market, the inflow of foreign funds and a decline in crude oil prices could limit the INR's losses. However, the increased US Dollar (USD) demand by the importer, and safe-haven flows ahead of the key US labor market data, might weigh on the local currency.

Source: Reuters.

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