

GLOBAL MARKETS NEWSLETTER

Tuesday October 8th, 2024

Local Markets:

The Kenyan shilling was steady against the dollar on Monday and is expected to remain level in the coming week. There was a bit of offshore buying on Friday and the central bank has been buying dollars for the past month but there is enough supply in the market, so the currency is expected to remain stable.

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	166.30	170.30	GBP/USD	1.3122	1.3141
EUR/KES	139.50	143.00	EUR/USD	1.1014	1.0997
INR/KES		1.5549	USD/INR	83.61	83.76
			AUD/USD	0.6749	0.6845
			Commodities		
			Gold	2646.25	2641.15
			Brent Crude	79.57	77.70

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.7183%	15.7463%	-
182 Days	16.5888%	16.6157%	-
364 Days	16.7999%	16.8130%	-
KES INFLATION	3.600%	4.40%	31 st Oct. 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 lower in early Asian trading hours on Tuesday as traders booked profits after prices rallied to their highest in over a month on Monday amid fears that the Middle East could be on the brink of a region-wide war.

Asia-Pacific markets: Asia-Pacific markets mostly fell on Tuesday, with investors watching August pay and spending data out from Japan. The rally in Chinese markets lost steam after a briefing from the country's National Development and Reform Commission provided few details on further stimulus.

International Markets

USD: The dollar clung to seven-week highs against major currencies on Tuesday as investors ponder the outlook for U.S. rates after a strong jobs report last week dashed bets for large rate cuts, while escalating tensions in Middle East dented risk sentiment.

GBP: The GBP/USD pair attracts some buyers during the Asian session on Tuesday and for now, seems to have snapped a five-day losing streak to a nearly four-week low, around the 1.3560 area touched the previous day. Spot prices, however, struggle to build on the uptick beyond the 1.3100 mark, warranting some caution for bullish traders.

EUR: The EUR/USD pair extends its recovery to around 1.0985 on Tuesday during the early European trading hours. The major pair edges higher amid the modest weakening in the US Dollar (USD). However, the upside for EUR/USD might be limited as traders expect a smaller interest rate cut from the US Federal Reserve (Fed) in November.

INR: The Indian Rupee (INR) weakens on Tuesday amid the selling pressure from foreign funds and weak tone in the domestic markets. Additionally, the rise in crude oil prices and escalating geopolitical tensions between Israel and Iran contribute to the INR's downside.

Source: Reuters.

For further enquiries, kindly call: Joseph Nyamache /Daniel Yegon, Direct Lines: +254 111 030 600/626/680/681,

DISCLAIMER: Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibility or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.