

# GLOBAL MARKETS NEWSLETTER

## Local Markets:

Kenya's official foreign ex- change reserves held by the Central Bank of Kenya (CBK) have surged to a historic high of \$10.1bn, buoyed by surplus funds remaining after international investors declined to fully participate in the government's \$900m Eurobond buyback offer.

Today's expected USD/KES trading range is 128.30/129.60

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	128.30	129.60			
GBP/KES	174.95	177.10	GBP/USD	1.3666	1.3767
EUR/KES	151.30	153.30	EUR/USD	1.1821	1.1824
INR/KES		1.5245	USD/INR	85.00	85.15
			AUD/USD	0.6597	0.6609
			Commodities		
			Gold	3355.05	3340.80
			Brent Crude	68.60	67.20

## Benchmark Rates:

Tenor	Current	Previous	
91 Days	8.1387%	8.1687%	
182 Days	8.4613%	8.4761%	
364 Days	9.7221%	9.7388%	
KES INFLATION	3.800%	3.800%	
KES CBR	9.75%	10.00%	
FED RATE	4.25%	4.50%	
ECB RATE	2.65%	2.90%	
BOE RATE	4.25%	4.50%	
RBI RATE	6.00%	6.25%	

## Top News

**Oil:** West Texas Intermediate (WTI), the US crude oil benchmark, is trading around \$66.40 during the early Asian trading hours on Thursday. The WTI price declines on a surprise build in US crude supplies. Oil traders await cautiously ahead of an OPEC+ meeting to decide the group's August output policy.

**Asia-Pacific markets:** Most Asian currencies moved little on Thursday as traders remained on edge over progress towards more trade deals with the United States, while weak economic prints from China and Australia also weighed.

## International Markets

**USD:** The US Dollar Index (DXY), an index of the value of the US Dollar (USD) measured against a basket of six world currencies, remains on the defensive near 96.70 during the early Asian session on Thursday. All eyes will be on the release of highly anticipated US Nonfarm Payrolls (NFP) data for June, which is due later on Thursday.

**GBP:** The GBP/USD pair extends the decline to near 1.3625 during the Asian trading hours on Thursday. The Pound Sterling (GBP) faces some selling pressure amid a selloff in British government bonds. Traders will closely watch the US June employment data later on Thursday, including Nonfarm Payrolls (NFP), Unemployment Rate and Average Hourly Earnings.

**EUR:** EUR/USD remains subdued for the second successive session, trading around 1.1800 during the Asian hours on Thursday. The pair may regain its ground as the US Dollar (USD) loses ground amid rising expectations that the Federal Reserve (Fed) will cut interest rates, driven by the downbeat ADP national employment report.

**INR:** The Indian Rupee (INR) opens on a cautious note against the US Dollar (USD) on Thursday. The USD/INR pair ticks up to near 85.75 ahead of the United States (US) Nonfarm Payrolls (NFP) data for June, which will be published at 12:30 GMT.

Source: Reuters.

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