

# GLOBAL MARKETS NEWSLETTER

Thursday July 11<sup>th</sup>, 2024

## Local Markets:

Kenya's shilling weakened on Wednesday, pressured by increased foreign-currency demand and a credit rating downgrade by Moody's.

Today's expected USD/KES trading range is 127.50 – 130.00

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	127.50	130.00			
<b>GBP/KES</b>	163.60	167.70	<b>GBP/USD</b>	1.2889	1.2813
<b>EUR/KES</b>	137.80	141.40	<b>EUR/USD</b>	1.0868	1.0839
<b>INR/KES</b>		1.5590	<b>AUD/USD</b>	0.6790	0.6778
			<b>USD/INR</b>	83.95	83.98
			<b>Commodities</b>		
			<b>Gold</b>	2382.48	2369.53
			<b>Brent Crude</b>	85.79	84.40

## Benchmark Rates:

Tenor	Current	Previous	Next meeting
<b>91 Days</b>	15.9868%	15.9771%	-
<b>182 Days</b>	16.7951%	16.7636%	-
<b>364 Days</b>	16.8299%	16.7911%	-
<b>KES INFLATION</b>	4.60%	5.1%	31st July 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 edged higher on Thursday as crude stocks fell after U.S. refineries ramped up processing and as gasoline inventories eased, signaling stronger demand.

**Asia-Pacific markets:** There emerges a broad rise in Asia-Pacific markets on Thursday, after U.S. Big Tech rallied overnight on optimism over Federal Reserve rate cuts.

## International Markets

**USD:** The dollar was on the front foot on Wednesday having rebounded from a three-week low. On Thursday, the monthly U.S. consumer price index will be released, followed by the producer price index on Friday. Both prints and whether they surprise to the upside or downside will be key gauges of the interest rate outlook.

**GBP:** GBP/USD continues to advance for the second consecutive session, trading around 1.2860 during Asian hours on Thursday. The analysis of the daily chart shows that the pair is moving upward within an ascending channel, which indicates a bullish bias in the pair's price action.

**EUR:** The EUR/USD pair attracts buyers for the second successive day on Thursday and moves back closer to a nearly four-week high touched on Monday. Spot prices, however, remain below mid-1.0800s as traders await the release of the US consumer inflation figures before placing fresh directional bets.

**INR:** The Indian Rupee (INR) strengthens on the softer US Dollar (USD) on Thursday. Additionally, the sustained inflow of foreign funds into Indian markets and the decline of crude oil prices all contribute to the INR's upside. The upside of the pair remains capped amid the potential rate cuts by the US FED, even though Fed Chair Jerome Powell said the labor market was better balanced and acknowledged progress on cooling inflation without committing to rate cuts.

Source: Reuters.

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