

# GLOBAL MARKETS NEWSLETTER

Friday July 19<sup>th</sup>, 2024

## Local Markets:

Kenya's shilling slipped a further 0.6% on Thursday, with attention on recent anti-government protests.

Today's expected USD/KES trading range is 129.75 – 132.95

## Indicative FX rates as at 8.30am:

| Currency       | Buying | Selling | Currency           | Today   | Previous |
|----------------|--------|---------|--------------------|---------|----------|
| <b>USD/KES</b> | 129.75 | 132.95  |                    |         |          |
| <b>GBP/KES</b> | 167.83 | 171.80  | <b>GBP/USD</b>     | 1.2965  | 1.3035   |
| <b>EUR/KES</b> | 141.27 | 144.80  | <b>EUR/USD</b>     | 1.0914  | 1.0963   |
| <b>INR/KES</b> |        | 1.5963  | <b>AUD/USD</b>     | 0.6730  | 0.6762   |
|                |        |         | <b>USD/INR</b>     | 83.28   | 83.27    |
|                |        |         | <b>Commodities</b> |         |          |
|                |        |         | <b>Gold</b>        | 2425.89 | 2469.10  |
|                |        |         | <b>Brent Crude</b> | 84.63   | 85.52    |

## Benchmark Rates:

| Tenor                | Current  | Previous | Next meeting |
|----------------------|----------|----------|--------------|
| <b>91 Days</b>       | 16.0215% | 15.9954% | -            |
| <b>182 Days</b>      | 16.8521% | 16.8221% | -            |
| <b>364 Days</b>      | 16.8971% | 16.8795% | -            |
| <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 fell on Friday, setting up for a second weekly decline, as mixed economic signals weighed on investor sentiment and boosted the dollar.

**Asia-Pacific markets:** Asia-Pacific markets fell on Friday, tracking Wall Street declines as investors continued to rotate out of tech stocks and take profits from the rally in equities in recent weeks.

## International Markets

**USD:** The dollar was steady and poised to snap a two-week losing run on Friday as U.S. labor and manufacturing data kept traders pondering on when and by how much the Federal Reserve would cut rates this year.

**GBP:** The GBP/USD pair prolongs its corrective decline from a one-year peak, around the 1.3045 region touched earlier this week and drifts lower for the second successive day on Friday. There are diminishing odds for a BoE rate cut in August to lend support ahead of UK Retail Sales.

**EUR:** EUR/USD extends its losses for the second consecutive day, trading around 1.0890 during the Asian session on Friday. The decline in the EUR/USD pair can be attributed to the strengthening of the US Dollar (USD) amid increased risk aversion. The greenback is bolstered by rising US Treasury yields, but its upside potential may be constrained by soft labor data, which enhances market expectations for a (Fed) rate cut in September.

**INR:** The rupee was trading in a narrow range against the US dollar in early trade on Friday, as the support from sustained foreign fund inflows was negated by dollar demand from foreign investors and oil companies. A bounce back in crude oil prices weighed on the rupee as weak Asian as well as European currencies may further dent investor sentiments.

Source: Reuters.

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